



August 22, 2000

President
Federal Home Loan Bank

NO-ACTION LETTER: Strategic Business Plan Implementation (2000-NAL-09)

Dear Mr. :

This responds to your request of July 18, 2000, for a No-Action Letter regarding the Federal Home Loan Bank (FHLBank) postponement of implementation of the FHLBank's strategic business plan for an additional 90 days from the requirement under 12 C.F.R. § 917.5(a) that the FHLBank have a strategic business plan in effect by August 29, 2000, that complies with the requirements of 12 C.F.R. § 917.5. The timetable presented in your request indicates the FHLBank's strategic business plan, which you represent will conform fully with 12 C.F.R. § 917.5, will be adopted by the FHLBank board of directors at its November meeting, but in any event no later than November 30, 2000.

In light of the initiatives indicated in your request, the transition in FHLBank leadership currently underway, and the timetable presented, Federal Housing Finance Board (Finance Board) staff will not recommend that supervisory action be taken against the FHLBank, nor will Finance Board staff undertake any such supervisory action with respect to the FHLBank's failure to meet the August 29, 2000 requirement for implementation of the FHLBank's revised strategic business plan, which complies with 12 C.F.R. § 917.5. This letter expresses only the position of Finance Board staff, and may be modified or superseded by the Board of Directors of the Finance Board. Because this letter is based upon your representations, any change in the facts or circumstances from those presented may warrant a staff recommendation that the Finance Board take appropriate supervisory action.

Please notify the Office of Supervision following the board of directors' adoption of the FHLBank's revised strategic business plan. If you have any questions, please contact Mitchell Berns, Director, Office of Supervision, at 202-408-2562.

Sincerely,

/s/ James L. Bothwell

James L. Bothwell
Managing Director

cc: Mitch Berns