

No.: 93-12  
Date: February 23, 1993

FEDERAL HOUSING FINANCE BOARD

Federal Home Loan Bank System  
Directors' Fees and Allowances Policy

WHEREAS, the Federal Housing Finance Board ("Finance Board") seeks to control the cost of fees and expenses paid to Federal Home Loan Bank ("FHLBank") directors; and

WHEREAS, the Finance Board reviewed a memorandum from the District Banks Directorate ("DBD") on the current policy concerning Federal Home Loan Bank directors' fees and expenses and believes the amended policy entitled FHLBank System Directors Fees and Allowances Policy ("Policy") satisfactorily compensates FHLBank directors for their time and expertise; and

WHEREAS, the Finance Board believes the Director, DBD, can effectively and accurately resolve any questions of interpretation for the Policy without Finance Board approval of each such request.

NOW, THEREFORE BE IT RESOLVED, the Finance Board adopts the Policy, a copy of which is attached as Exhibit C; and

RESOLVED FURTHER, that the Director, DBD, is hereby delegated the authority to interpret the Policy.

By the Federal Housing Finance Board

  
Daniel F. Evans, Jr.  
Chairman

Federal Housing Finance Board Policy

Federal Home Loan Bank System  
Directors' Fees and Allowances

I. Fees

A. General

1. The maximum permissible fee for a Director, other than the Chairman, for attendance at a meeting of the Board of Directors or committees thereof is \$650 per day.
2. No more than one fee per day to any Director is permissible.

B. Differentials

1. Chairman

The maximum fee for the Chairman of the Board is \$1,200 per day which is allowable only when the Chairman is presiding over meetings of the Board of Directors or the Executive Committee. The maximum fee for the Chairman when attending other committee meetings is \$650.

2. Chairman Pro Tern

In instances where the Vice Chairman presides for the Chairman at one or two meetings of the Board of Directors or the Executive Committee throughout the year, the Vice Chairman's fee will continue to be based on the maximum permissible fee of \$650 per day.

In the situation where the Chairman will be indisposed for three or more consecutive months, a FHLBank is permitted to pay the Vice Chairman a fee of up to \$1,200 per day for presiding at meetings during that period, with prior approval of the Board of Directors.

3. Appointed and Elected Directors

No fee differential between appointed and elected Directors is permitted except for the Chairman.

## II. Expenses

### A. General

1. The necessary travel expenses that may be paid Directors on official business of the FHLBanks are: (1) transportation costs not in excess of a Director's common carrier cost; and (2) lodging, meals, and out-of-pocket expenses incurred in the time required to go directly to the destination and return to the point of origin or normal residence. FHLBanks may pay actual mileage and expenses incurred by a Director using a private vehicle provided the expense does not exceed direct common carrier cost and expenses.

Other expenditures which by their nature are not directly or obviously related to attending a business meeting of the Directors should be supported with ample explanation as a basis for requesting reimbursement. Such items as automobile rental, stenographic services, and long distance telephone charges are examples of such expenditures for which justification should be furnished by a Director when reimbursement is desired.

### B. Public Relations

1. Entertainment of Directors by a Director is not permissible as a public relations expense. Transportation, meals or other forms of hospitality for public relations purposes should normally be the responsibility of the officers and staff of the FHLBank.

### c. Other Expenses

1. FHLBanks are authorized to purchase travel hazard insurance to cover Directors.
2. Reimbursement for a substitute employed by a Director to handle the Director's responsibilities during his attendance at FHLBank Board meetings is not permissible.
3. Reimbursement of expenses incurred by the appointed Director's spouse while accompanying the Director is permitted for any two meetings (Bank or industry) each year.

III. Meetings

A. Board & Board Committee Meetings

1. Meetings of a FHLBank's Board of Directors should normally be held within the district served by the FHLBank.

Requests for exceptions should be submitted to the Federal Housing Finance Board ("Finance Board") for determination on a case-by-case basis.

2. Fees and expenses may be paid to both appointed and elected Directors for attendance at said meetings.
3. No fee is permitted for telephonic meetings.

B. FHLBank's Annual Stockholders' Meeting

1. A fee may be paid to appointed and elected Directors for each day in attendance at the FHLBank's Stockholders' meeting.
2. Reimbursement of expenses incurred by appointed and elected Directors attending the FHLBank's stockholders' meeting is permitted.
3. The Chairman is entitled to receive the maximum permissible fee of \$1,200, when presiding over the annual stockholders' meeting.

C. Industry Meetings

1. a. Reimbursement of appointed Directors' expenses incurred while attending industry meetings within the United States is permitted with prior approval of the Board of Directors.  
b. Reimbursement of appointed Directors' expenses incurred while attending the annual convention of the industry's national trade organizations within or outside the United States is permitted with prior approval of the Board of Directors.
2. Reimbursement of elected Directors' expenses incurred while in attendance at industry meetings or conventions is not permissible.

D. Meetings Called by the Federal Housing Finance Board

1. The maximum standard fee of \$650 and any necessary travel expenses may be paid to all Directors participating in meetings called by the Finance Board.

IV. Delegation of Authority

The Director, District Banks Directorate, is delegated the authority to interpret the above policy.