

DECISION MEMORANDUM OF THE FEDERAL HOUSING FINANCE BOARD
ACTING WITHOUT A QUORUM

Date: December 21, 1994

No.: 94-DM-58

ISSUE: Approval of the Financing Corporation's (FICO) 1995 administrative expense budget and non-administrative expense budget before interest expense as submitted by its Directorate.

FACTORS CONSIDERED:

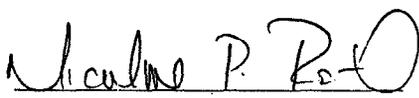
Section 950.8(b) of the Federal Housing Finance Board (Housing Finance Board) Regulations requires that the Housing Finance Board approve FICO's annual administrative and non-administrative budgets.

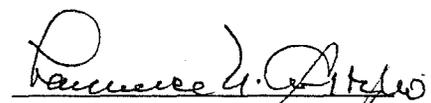
Section 21(b)(7) of the Federal Home Loan Bank Act (Act) requires all administrative expenses of FICO to be paid by the Federal Home Loan Banks, each Bank being required to pay an amount to be determined by the Housing Finance Board in accordance with Section 21(b)(7)(B) of the Act.

Section 21(F) of the Act enables FICO, with the approval of the Board of Directors of the Federal Deposit Insurance Corporation, to assess each Savings Association Insurance Fund member amounts necessary to fund anticipated interest payments, issuance costs, and custodial fees on FICO obligations, within the limits set forth in the Act.

DECISION: To approve the 1995 administrative budget for FICO in the amount of \$20,100. On a periodic basis, FICO is authorized to bill each Federal Home Loan Bank in advance for its proper share of FICO's administrative budget for that period as determined in accordance with the Act. To approve the 1995 non-administrative budget before interest expense for FICO in the amount of \$30,000. The approvals are subject to the following terms and conditions:

1. No later than January 31, 1995, FICO shall submit to the Housing Finance Board a written report and financial statements regarding budget-to-actual performance for 1994.
2. FICO shall adhere to the 1995 administrative expense budget and non-administrative expense budget before interest expense approved by the Housing Finance Board. FICO shall not exceed either budget without Housing Finance Board approval.


Nicolas P. Retsinas


Lawrence U. Costiglio