

No: 95-21  
Date: September 12, 1995

FEDERAL HOUSING FINANCE BOARD

Proposed Improvements  
to Procedures for Decision-Making  
by the Board of Directors of the Office of Finance

WHEREAS, section 2B of the Federal Home Loan Bank Act (Bank Act) (12 U.S.C. § 1422b) provides that in no event shall the Federal Housing Finance Board (Finance Board) delegate any function to any joint office of the Federal Home Loan Bank (FHLBank) System, except for the delegation of ministerial functions including issuing consolidated obligations pursuant to section 11(b) of the Bank Act (12 U.S.C. § 1431(b));

WHEREAS, the Finance Board has adopted regulations delegating authority to the Office of Finance to issue FHLBank consolidated debentures, bonds or notes, 12 C.F.R. § 900.30, and specifying the operations of the Office of Finance, 12 C.F.R. Part 941;

WHEREAS, the Finance Board has perceived a need for better procedures for decision-making and improved record keeping with regard to decisions made by the Board of Directors of the Office of Finance; and

WHEREAS, the Finance Board believes that adoption of the following procedures will establish more clear lines of authority and will promote clarity and more effective oversight by the Finance Board;

WHEREAS, the Directors of the Finance Board have concurred with the findings of its Debt Issuance Oversight Task Force, including suggestions that the quality of information flow between and among the Office of Finance, the Federal Home Loan Banks, and the Finance Board could and should be improved, and that the process by which the Office of Finance strategic initiatives are reviewed, approved and implemented should be improved as well. Further, that increased involvement in that process by the Finance Board was necessary and appropriate.

NOW, THEREFORE, BE IT RESOLVED, that the Finance Board directs the Board of Directors of the Office of Finance (OF Board) to establish a record of policy decisions made by the OF Board since the inception of the Office of Finance, and to maintain such records (and all future OF Board decisions) in an OF Board Book or other easily referenced format;

FURTHER RESOLVED, that, where past policies of the OF Board may be unclear, they shall be clarified by the existing OF Board, unless the OF Board decides to repeal or otherwise modify an earlier decision;

FURTHER RESOLVED, that the Finance Board directs the OF Board to make all policy decisions by way of written resolutions adopted either at a meeting of the OF Board or, where appropriate, by notational vote.

By the Federal Housing Finance  
Board

  
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Bruce A. Morrison, Chairman