

Resolution No. : 97-29
Date: March 20, 1997

FEDERAL HOUSING FINANCE BOARD

Waiver of Regulatory Requirements

WHEREAS, § 902.6 of the regulations of the Federal Housing Finance Board (Finance Board) provides that the Finance Board reserves the right, in its discretion and in connection with a particular transaction, to waive any provision, restriction, or requirement of its regulations, or any required submission of information, not otherwise required by law, if such waiver is not inconsistent with the law and does not adversely affect any substantial existing rights, upon a determination by the Finance Board that application of the provision, restriction, or requirement would adversely affect achievement of the purposes of the Federal Home Loan Bank Act (Bank Act), or upon a showing of good cause, see 12 C.F.R. §902.6; and

WHEREAS, § 960.5(g)(1) of the Finance Board's Affordable Housing Program (AHP) regulation authorizes the Federal Home Loan Banks to establish homeownership set-aside programs to provide AHP subsidies to members, who, in turn, provide the subsidies to homebuyer households participating in the set-aside program, see id. § 960.5(g)(1); and

WHEREAS, § 960.5(g)(I)(iii)(B) and § 960.5(g)(1)(ii)(A), respectively, of the AHP regulation require that households participating in a set-aside program established under § 960.5(g)(1) open a dedicated savings account with a Bank member that has established a program offering dedicated savings accounts to participating households, see id. §§ 960.5(g)(1)(iii)(B), (g)(1)(ii)(A); and

WHEREAS, the Federal Home Loan Bank of Seattle (Seattle Bank) has established a homeowner set-aside program, known as HomeStart, pursuant to section 960.5(g)(1) of the AHP regulation; and

WHEREAS, upon enrollment in the Seattle Bank's set-aside program, 68 participating households opened dedicated savings accounts at institutions that did not participate in the Bank's set-aside program, but the households subsequently moved their accounts to participating members upon the establishment of dedicated savings account programs by such members; and

WHEREAS, the Seattle Bank has requested a waiver of § 960.5(g)(1)(iii)(B) and § 960.5(g)(1)(ii)(A) of the AHP regulation, as applied to the members and the households participating in its set-aside program, see id. §§ 960.5(g)(1)(iii)(B), (g)(1)(ii)(A); and

WHEREAS, the households participating in the Seattle Bank's set-aside program have otherwise complied with the applicable savings requirements of the AHP regulation, and several of the households are scheduled to purchase homes within the next 30 days, with the expectation of financing the purchases, in part, with funds received under the Seattle Bank's set-aside program; and

WHEREAS, the homes scheduled to be purchased by the participating households have been built specifically for those households by a not-for-profit housing developer; and

WHEREAS, several of the households have given notice to vacate their current housing in anticipation of moving into their new homes within 30 days; and

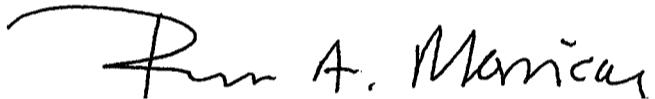
WHEREAS, failure to release the set-aside funds to the households would eliminate their ability to purchase the housing or require them to delay their purchase unduly, which would constitute a hardship for both the households and the housing developer; and

WHEREAS, the requirements of § 960.5(g)(1)(iii)(B) and § 960.5(g)(1)(ii)(A) of the AHP regulation are regulatory requirements established by the Finance Board but not specifically required by the Bank Act or other law; and

WHEREAS, waiver of the regulatory requirements discussed above is not otherwise inconsistent with law and would not adversely affect substantial existing rights of any party; and

NOW, THEREFORE RESOLVED, the Finance Board, for good cause shown, hereby waives the requirements of § 960.5(g)(1)(iii)(B) and § 960.5(g)(1)(ii)(A) of the AHP regulation, as applied to the members and households participating in the Seattle Bank's HomeStart program where, upon initial enrollment, the households opened dedicated savings accounts at institutions that did not participate in the set-aside program, but subsequently moved their accounts to participating members.

By the Board of Directors of the
Federal Housing Finance Board



Bruce A. Morrison, Chairman