WHEREAS, The FHLBank of currently has approximately advances outstanding to a member
a portion of which is secured by a pledge from to the
FHLBank of of certain delinquent or defaulted loans (or other securities
secured by delinquent or defaulted loans) issued or guaranteed by the Federal Housing
Authority and the Veteran’s Administration (Delinquent FHA/VA Collateral);

WHEREAS, section 10(a) of the Federal Home Loan Bank Act (Bank Act), 12 U.S.C.A.
§ 1430(a) requires the FHLBanks to collateralize fully all advances by obtaining and
maintain a security interest in one or more of four specified categories of collateral;

WHEREAS, the Finance Board’s Advances Regulations (12 C.F.R. Part 935) repeat
these collateral requirements without substantive change or elaboration. See 12 C.F.R.
§ 935.9;

WHEREAS, the FHLBank of is currently operating pursuant to a
Supervisory Agreement (Agreement) approved, pursuant to the Finance Board’s
35 (July 10, 1998), by the Bd of the Finance Board (Fin. Bd. Res. No. 98-30 (June 24,
1998)), which provides, among other things, that

WHEREAS, the FHLBank of has requested, pursuant to the Finance Board’s
waiver regulation (12 C.F.R. § 902.6) a waiver of section 935.9 of the Finance Board’s
advances regulation (12 C.F.R. § 935.9): to allow for the rollover by the FHLBank of
advances scheduled to mature to treat advances subject to call at the option of the FHLBank of
based on the spread to the underlying funding sources as “roll-overs;” and to
allow the FHLBank to honor requests from for new advances using available
collateral pledged to the FHLBank of Including Delinquent FHA/VA Collateral;
WHEREAS, the Finance Board has expressed its intention and desire to amend its Advances Regulations to allow the FHLBanks to accept Delinquent FHA/VA Collateral under section 10(a)(2) of the Bank Act;

WHEREAS, without a waiver, until such time as the Finance Board were to adopt in final form an amendment to its Advances Regulation, the FHLBank of [redacted] would have to continue to turn away new requests for advances on Delinquent FHA/VA Collateral, as those advances would be made in violation of the Finance Board’s existing advances regulation; and

WHEREAS, the staff of the Finance Board has no legal or safety and soundness concerns if the waiver is granted pursuant to the terms of this resolution;

NOW, THEREFORE, BE IT RESOLVED that the BoD of the Finance Board hereby waives 12 C.F.R. §935.9 of the Finance Board’s advances regulation for the FHLBank of [redacted] so that the FHLBank of [redacted] may roll-over advances to [redacted] scheduled to mature on [redacted] subject to call at the option of the FHLBank of [redacted] based on the spread to the underlying funding sources as “roll-overs,” and make new advances to [redacted] using available collateral pledged to the FHLBank of [redacted] including Delinquent FHA/VA Collateral;

IT IS FURTHER RESOLVED that this waiver is effective until January 31, 1999 or until the adoption by the Finance Board of a Final Rule defining Delinquent FHA/VA Collateral as eligible collateral under the Bank Act, whichever occurs sooner.

For the Board of Directors of the Federal Housing Finance Board

[Signature]

Bruce A. Morrison
Chairman