



No.: **1999-56**

Date: **November 15, 1999**

FEDERAL HOUSING FINANCE BOARD

Withdrawal of Proposed Financial Management and Mission Achievement Regulation:  
Cancellation of Public Hearing

WHEREAS, on September 27, 1999, the Federal Housing Finance Board (Finance Board) published a proposed regulation (1999-45) in the Federal Register to adopt new financial management and mission achievement (FMMA) rules, and amend certain existing regulations, for the Federal Home Loan Banks (Banks), *see* 64 Fed. Reg. 52163 (Sept. 27, 1999) (proposed FMMA regulation); and

WHEREAS, in light of concerns expressed by the U.S. Congress regarding the proposed FMMA regulation, on October 18, 1999, Finance Board Chairman Bruce A. Morrison sent a letter to the U.S. House and Senate Banking Committees assuring them that upon enactment of legislation to modernize the Bank System, the Finance Board would: (i) withdraw forthwith its proposed FMMA regulation; (ii) issue regulations to implement the capital requirements of the statute; (iii) take no action to promulgate proposed or final regulations limiting assets or advances beyond those currently in effect (except to the extent necessary to protect the safety and soundness of the Banks) until such time as the capital regulations become final and the statutory period for submission of capital plans by the Banks has expired; and (iv) consult with the House and Senate Banking Committees regarding the content of both the capital regulations and any regulations limiting Bank assets or advances prior to issuing them in proposed form; and

WHEREAS, on November 12, 1999, the Federal Home Loan Bank System Modernization Act of 1999 (Bank System Modernization Act) was enacted into law;

NOW, THEREFORE, IT IS RESOLVED that the proposed FMMA regulation is hereby withdrawn;

IT IS FURTHER RESOLVED that the public hearing on the proposed FMMA regulation scheduled for November 29 and 30, 1999 is hereby canceled.

By the Board of Directors of the  
Federal Housing Finance Board

*/s/ Bruce A. Morrison*

Bruce A. Morrison, Chairman