



No.: **2002-60**

Date: **November 13, 2002**

FEDERAL HOUSING FINANCE BOARD

Amendment to the Capital Structure Plan of the Federal Home Loan Bank of Cincinnati

WHEREAS, by Resolution Number 2002-29, dated June 12, 2002, the Federal Housing Finance Board (Finance Board) approved a capital structure plan (Plan) for the Federal Home Loan Bank of Cincinnati (Bank) in accordance with the Gramm-Leach-Bliley Act (GLB Act) and Finance Board regulations; and

WHEREAS, section 6(b)(2) of the Federal Home Loan Bank Act, as amended by the GLB Act, 12 U.S.C. § 1426(b)(2), requires the board of directors of each Federal Home Loan Bank to submit to the Finance Board for approval any proposed modifications to an approved capital structure plan; and

WHEREAS, the board of directors of the Bank has determined that in order to support the continued growth of the Mortgage Purchase Program (MPP), it would be appropriate to amend the Plan to set at zero percent the Minimum Allocation Percentage applicable to the unpaid principal balance of mandatory delivery contracts made, and mortgage loans purchased, under the MPP and held on the books of the Bank, and to change to zero percent the starting point in the range within which the Bank's board of directors can change the Minimum and Maximum Allocation Percentages applicable to MPP loans without seeking a further amendment to the Plan; and

WHEREAS, on October 17, 2002, the board of directors of the Bank approved a resolution authorizing the management of the Bank to make all implementing and conforming changes to the Plan necessary to set the initial Minimum Allocation Percentage for MPP loans at zero percent and to set the starting point in the range governing the Minimum and Maximum Allocation Percentages applicable to MPP loans at zero percent (Amendments); and

WHEREAS, on October 17, 2002, the board of directors of the Bank also authorized the management of the Bank to submit the Amendments to the Finance Board for approval; and

WHEREAS, on October 28, 2002, the Bank's management submitted to the Finance Board a proposed version of the Plan containing the Amendments; and

WHEREAS, on November 12, 2002, the board of directors of the Bank reviewed and approved the Amendments as contained in the proposed version of the Plan submitted by the Bank's management to the Finance Board on October 28, 2002; and

WHEREAS, the Board of Directors of the Finance Board has considered these Amendments, the supporting materials submitted by the Bank, as well as a memorandum from the Office of Supervision and the Office of General Counsel that analyzes the Amendments and recommends their approval; and

WHEREAS, the Board of Directors of the Finance Board has determined that the Amendments meet all statutory and regulatory requirements regarding capital structure, and do not compromise the safety and soundness of the Bank or of the Federal Home Loan Bank System;

NOW, THEREFORE, IT IS RESOLVED that the Board of Directors of the Finance Board hereby approves the Amendments, as submitted by the Bank on October 28, 2002, pursuant to sections 2B(a)(1) and 6(b)(2) of the Bank Act, 12 U.S.C. §§ 1422b(a)(1)(2) and 1426(b)(2), subject to the terms of this resolution.

IT IS FURTHER RESOLVED that any and all conditions imposed by Resolution Number 2002-29 are not affected by this action and that the Bank remains subject to those conditions.

By the Board of Directors of the
Federal Housing Finance Board

/s/ John T. Korsmo

John T. Korsmo
Chairman