

FEDERAL HOUSING FINANCE BOARD

FHLBank-San Francisco REFCorp Deficiency Repayment

WHEREAS, in accordance with the attached resolution of the board of directors of the Federal Home Loan Bank of San Francisco (FHLBank-SF), the FHLBank-SF desires to accelerate repayment to the other Federal Home Loan Banks of its REFCorp deficiency, incurred in accordance with the provisions of section 21B(e)(6) of the Federal Home Loan Bank Act, in order to pay off that portion of the REFCorp deficiency that will be interest bearing on or about October 15, 1992 (the "3rd quarter deficiency repayment");

WHEREAS, the FHLBank-SF proposes to transfer such funds as necessary from its Restricted Retained Earnings and Unrestricted Retained Earnings accounts to its REFCorp Deficiency Repayment account to make such accelerated repayment;

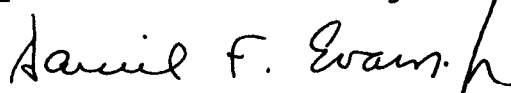
WHEREAS, the FHLBank-SF has represented that, in accordance with the utilization of its retained earnings for this deficiency repayment, no dividend to its shareholders will be declared or paid for the 3rd quarter;

WHEREAS, while the Federal Housing Finance Board (Finance Board) views retained earnings as a cushion to absorb unforeseen losses, based on representations by the FHLBank-SF, the Finance Board finds that this is an appropriate use of retained earnings since the retained earnings are being used only to extinguish that portion of the FHLBank-SF's REFCorp deficiency debt to the other FHLBanks that will be interest bearing on or about October 15, 1992;

NOW, THEREFORE, BE IT RESOLVED, that the Finance Board approves the action of the FHLBank-SF reflected in the attached resolution that utilizes the FHLBank-SF's retained earnings accounts to make the 3rd quarter deficiency repayment described therein; and

BE IT FURTHER RESOLVED, that the FHLBank-SF take no action that would further utilize the FHLBank-SF's retained earnings accounts for the purpose of making a 4th quarter deficiency repayment, for declaring or paying dividends to its shareholders, or for any other purpose absent approval of the Finance Board.

By the Federal Housing Finance Board



Daniel F. Evans, Jr., Chairman