

No: 93-83

Date: October 27, 1993

FEDERAL HOUSING FINANCE BOARD

Advance Program Between the
Federal Home Loan Bank of New York
and the New Jersey Housing and Mortgage Finance Agency

WHEREAS, the Federal Home Loan Bank of New York ("FHLBank") has requested Federal Housing Finance Board ("Finance Board") approval to lend to the New Jersey Housing and Mortgage Finance Agency ("NJHMFA") as a nonmember mortgagee; and

WHEREAS, the FHLBank, pursuant to the Finance Board's interim final rule on lending to nonmember mortgagees, has provided documentation evidencing that the NJHMFA meets the eligibility requirements in section 10b of the Federal Home Loan Bank Act ("Act"), and has certified that the FHLBank can safely make advances to the NJHMFA; and

WHEREAS, the Finance Board has determined that the requirement in section 10b of the Act, which provides that nonmember mortgagees must be subject to inspection and supervision by some governmental agency, and in § 935.22(b)(2) of the Finance Board's regulations that provides that nonmember mortgagees must be subject, pursuant to statute or regulation, to the inspection and supervision of a federal, state or local government agency, is met by the specific facts in this case, as follows: 1) No action of the NJHMFA has effect until 10 days after a copy of the minutes of a NJHMFA meeting have been delivered to the New Jersey Governor, unless the Governor specifically authorizes that actions take effect sooner and during the 10-day approval period, the Governor has an absolute right to veto any actions taken by the NJHMFA; 2) The NJHMFA must provide an annual report of its activities to the New Jersey Governor and Legislature, including complete operating and financial statements; and 3) The NJHMFA must be audited annually by a certified public accountant, and a copy of the audit must be filed with the New Jersey State Treasurer; and

WHEREAS, the Finance Board has reviewed and finds sufficient the documentation provided by the FHLBank to support its contention that the NJHMFA is eligible to receive advances as a nonmember mortgagee under section 10b of the Act; and

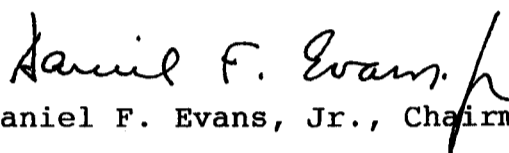
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WHEREAS, the Finance Board has determined that the NJHMFA also meets the definition of a state housing finance agency and therefore may pledge collateral eligible under section 10b(b) of the Act, subject to all requirements contained therein and the requirements of the interim final rule on lending to nonmember mortgagees;

NOW, THEREFORE BE IT RESOLVED, that the Finance Board hereby approves the FHLBank's request to lend to the NJHMFA pursuant to the Act and Finance Board regulations.

By the Federal Housing Finance Board

A handwritten signature in cursive script that reads "Daniel F. Evans, Jr." with a stylized flourish at the end.

Daniel F. Evans, Jr., Chairman