



March 10, 2003

Mr. Alex J. Pollock
President and CEO
Federal Home Loan Bank of Chicago
111 East Wacker Drive
Chicago, IL 60601

NO-ACTION LETTER: Federal Home Loan Bank of Chicago
2002 Financial Statements Waiver (2003-NAL-01)

Dear Mr. Pollock:

This responds to your request of February 7, 2003, for a waiver of 12 C.F.R. § 989.4, which requires that any financial statements contained in an annual or quarterly financial report issued by an individual Federal Home Loan Bank (FHLBank) be consistent in both form and content with the financial statements presented in the combined Federal Home Loan Bank System (Bank System) annual or quarterly financial reports prepared and issued by the Office of Finance. Your request is to add certain line items for 2002 representing some Securities and Exchange Commission (SEC) required disclosures that are not currently included in the combined Bank System financial statements prepared by the Office of Finance. Such items are not consistent with the 2002 year-end financial statements prepared for the Bank System. You have provided pro forma 2002 financial statements that present the disclosures you wish to make.

Finance Board staff will not recommend to its Board of Directors that supervisory action be taken against the FHLBank of Chicago, nor will Finance Board staff undertake any such supervisory action, if the FHLBank of Chicago shows the SEC required disclosures you have provided in its 2002 year end financial statements. This letter expresses only the position of Finance Board staff and may be modified or superseded by the Board of Directors of the Finance Board.

If you have any questions, please contact Gerry Schober, 202/408-2865, or Pat Lagos at 202/408-2563.

Sincerely,

/s/ Stephen M. Cross

Stephen M. Cross
Director
Office of Supervision