

No.: 96-74

Date: October 24, 1996

FEDERAL HOUSING FINANCE BOARD

Extension of Procedures for Review of Disputed Supervisory Determinations

WAS, under section 20 of the Federal Home Loan Bank Act, as amended, codified at 12 U.S.C. § 1440, the Federal Housing Finance Board (Finance Board) must require examinations and reports of condition of each of the Federal Home Loan Banks (FHLBank) at least annually;

WHEREAS, under 12 U.S.C.A. § 1440, Finance Board examiners have the same powers and privileges are are vested in bank examiners under the National Bank Act and the Federal Reserve Act, which include the power to make a "thorough examination of all of the affairs of [a FHLBank and its affiliates] and . . . to administer oaths and to examine any of the officers and agents thereof under oath. . . ." (12 U.S.C. § 481);

WHEREAS, the Office of Supervision of the Finance Board conducts periodic examinations of the FHLBanks pursuant to Finance Board regulations, 12 C.F.R. § 900.14, and during the course of an examination a Finance Board examiner may make findings regarding safety and soundness, compliance, or program issues, and may issue findings and determinations requiring mandatory action concerning such unsafe and unsound practice or condition, weakness, or violation in a report of examination issued pursuant to 12 U.S.C. § 1440;

WHEREAS, from time to time a FHLBank may disagree with or object to such findings or determinations, and the Finance Board determined that it was in the best interest of the Finance Board and the FHLBanks to provide for a process for the prompt review and resolution of such disputes;

WHEREAS, effective July 30, 1996,. the Finance Board adopted Procedures for the Review of Disputed Supervisory Determinations (Procedures) in accordance with 12 U.S.C. § 1422b(a)(1) and 12 C.F.R. § 900.50, by Finance Board Resolution No. 96-60, dated July 30, 1996, (Resolution) as the mandatory and exclusive administrative remedy available under the Federal Home Loan Bank Act to the FHLBanks to address their objections to disputed supervisory determinations as defined in the procedures;

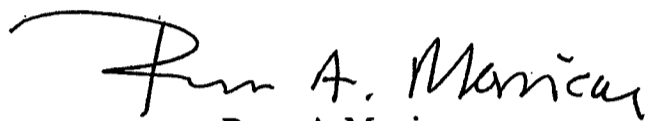
WHEREAS, the Resolution specified that the Procedures "shall remain in effect until October 31, 1996, and shall not be effective beyond that date, unless extended."; and

WHEREAS, the Finance Board believes that a two-month extension of the Procedures would be in the best interest of the Finance Board and the FHLBanks,

NOW, THEREFORE, BE IT RESOLVED, that the Procedures adopted by the Finance Board in the Resolution shall remain in effect until December 31, 1996, and shall not be effective beyond that date unless extended.

IT IS FURTHER RESOLVED that the Procedures shall remain applicable to all pending matters and any matters and petitions tiled up to and through December 31, 1996; are mandatory and are the exclusive administrative remedy available under the Federal Home Loan Bank Act to the FHLBanks to address their objections to disputed supervisory determinations as defined in the procedures.

By the Board of Directors of the  
Federal Housing Finance Board

A handwritten signature in black ink, appearing to read "Bruce A. Morrison". The signature is written in a cursive style with a large, sweeping initial "B".

**Bruce A. Morrison**  
**Chairman**