



May 28, 2003

Mr. Ronald K. Wentz, Chairman
Federal Home Loan Bank of Topeka
One Security Benefit Place, Suite 100
Topeka, Kansas 66601

RE: Implementation of Federal Home Loan Bank of Topeka Capital Plan (2003-APP-09)

Dear Mr. Wentz:

On July 10, 2002, the Board of Directors of the Federal Housing Finance Board (Finance Board) approved the capital plan of the Federal Home Loan Bank of Topeka (Bank). Implementation of the Bank's capital plan is subject to approval of the Bank's risk assessment procedures and controls and its internal market risk model pursuant to 12 C.F.R. § 932.1. The Finance Board approved the Bank's market risk model on April 21, 2003. *See* 2003-APP-07.

As part of our regular examination of the Bank that commenced September 3, 2002, we reviewed the Bank's risk control environment. During the examination we [REDACTED]

These actions and representations adequately address our concerns regarding [REDACTED]. Thus, pursuant to 12 C.F.R. § 932.1, we hereby approve the Bank's risk assessment procedures and controls. The Bank now has the necessary approvals to implement its capital plan.

Our approval of the Bank's risk assessment procedures and controls is based on the information, representations and commitments made by Bank management. Any material change in the information, representations or commitments, or in the Bank's business plan or operations, prior to the Bank's conversion to its new capital plan, would be a cause for us to modify, change or rescind our approvals.

Sincerely,

/s/ Stephen M. Cross

Stephen M. Cross
Director, Office of Supervision

cc: Andrew J. Jetter, President