



NEWS

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FINANCE BOARD APPROVES ATLANTA FHLBANK'S CAPITAL STRUCTURE PLAN

The Federal Housing Finance Board today approved the capital structure plan of the Federal Home Loan Bank of Atlanta, the second capital plan accepted by the Board. Consideration of the plan was moved up from the Finance Board's May 8 meeting.

"It is my goal to move expeditiously in the approval process of all the capital plans," said Finance Board Chairman John T. Korsmo. "I appreciate the cooperative attitude and hard work of Atlanta Bank President Ray Christman and his staff."

The FHLBank of Atlanta's capital plan authorizes Class B stock (redeemable on five years' written notice), with two subclasses: Class B(1) stock, held by a member to comply with its membership stock requirement (initially estimated at .15% of total assets with a cap of \$25 million), and Class B(2) stock, held by a member to comply with its activity-based stock requirement (initially estimated at 4.75% of outstanding advances and other activities). Both subclasses will receive the same dividend rate. The FHLBank of Atlanta's capital plan is available at www.fhlbatl.com.

The Finance Board determined that the FHLBank of Atlanta's capital plan meets all statutory and regulatory requirements regarding capital structure and does not compromise that Bank's safety and soundness or that of the FHLBank System.

As is the case for all the FHLBanks, the FHLBank of Atlanta must obtain Finance Board approval of its internal market risk model and risk assessment procedures and controls prior to implementing its plan, which it expects to do in the first half of 2003.

Also, an action by Finance Board staff has cleared the way for the FHLBank of Seattle to implement its capital plan by its target date of June 30, 2002. Managing Director James L. Bothwell on April 9 informed the Seattle FHLBank that Finance Board staff had completed a review of its risk assessment procedures and controls and internal risk model. The Finance Board had approved the Seattle FHLBank's capital plan at its March 13 meeting, subject to this review.

The Finance Board also unanimously approved today the appointment of Robert L. Strickland, Jr. as a public interest director on the Board of the FHLBank of Atlanta. As Executive Director of the Alabama Housing Finance Agency, Mr. Strickland oversees statewide affordable housing efforts and administers

programs geared toward first-time and low-income homebuyers. He replaces Ellen Sauerbrey, who was unable to accept her recent appointment due to demands placed on her as the Bush Administration's representative to the United Nations Commission on the Status of Women.

The Finance Board will hold a public hearing Thursday, April 11, at 2 p.m., to hear testimony from FHLBanks on their capital plans, and will consider the remaining 10 FHLBank capital plans for approval at its May 8, June 12 and July 10 meetings.