



# NEWS

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## **FINANCE BOARD DEFERS ACTION ON PROPOSED REGULATION TO ENHANCE DISCLOSURE ON DEBT**

Chairman John T. Korsmo of the Federal Housing Finance Board today deferred action on a proposed regulation to provide for enhanced disclosure for Federal Home Loan Bank System debt offerings, saying the additional time comes at the request of Banks seeking to cooperate on disclosure issues.

The Board had a proposed regulation scheduled for its December 20th meeting that would govern the disclosures concerning consolidated obligations and investments sold by Banks, following the standards of the Securities Act of 1933.

Korsmo said he was postponing the regulation's consideration at the request of several Banks to allow further, cooperative discussions about the other pending disclosure issue: registration of Bank stock in line with the Securities Exchange Act of 1934.

He noted that the SEC has designed the law so that much of the information disclosed under one act is also disclosed under the other.

"The Banks have expressed strong support for improving the disclosures made with their debt offerings, and this regulation would achieve that goal in a thorough and effective way," Korsmo said. "But given their concerns about '34 Act registration, and the fact the two acts 'interlock,' I believe a reasonable delay will permit a more comprehensive discussion about disclosure.

"I remain open to the Banks' suggestions for crafting a '34 Act registration requirement, but I have no intention of allowing the status quo to prevail," he said. "The driving reason for enhanced disclosure is to maintain the System's obligation, as a GSE, to the nation's taxpayers."

Korsmo noted that action on both proposed regulations is still planned.

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