



# NEWS

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## **FEDERAL HOUSING FINANCE BOARD TO SOLICIT COMMENTS ON MULTIPLE FHLBANK MEMBERSHIPS**

Federal Housing Finance Board Chairman J. Timothy O'Neill today announced that the Finance Board will address the issue of multiple memberships in Federal Home Loan Banks at its next meeting, scheduled for Wednesday, September 12.

The Finance Board will deliberate on a proposal to solicit comments on a series of policy questions arising from petitions from three FHLBanks to allow certain financial institutions to become members of more than one FHLBank at the same time. The Solicitation of Comments from the public would enable the Finance Board to determine whether it should begin a subsequent rulemaking process on the issue.

The September 12 board meeting will be the first one presided over by Mr. O'Neill, who was designated Chairman by President Bush June 18. It will also be the first board appearance by Federal Housing Commissioner John C. Weicher, who this week was named as Housing and Urban Development Secretary Mel Martinez' Designee to the Finance Board.

Also, the Finance Board published in the August 8 Federal Register two proposed rules for public comment. One rule would make a small number of modifications to the final capital rule that the Board published January 30, 2001. Many of the changes were identified in response to an advance notice of proposed rulemaking (ANPR), published March 7, relating to unforeseen issues not addressed in the capital rule.

The other proposed rule would amend the unsecured credit provisions of the Finance Board's rules, which were adopted in the final capital rule and govern the amount of unsecured credit that an FHLBank can extend in various transactions with a third counterparty. The Finance Board is proposing the amendments based in part on comments received from the FHLBanks on the March 7 ANPR.

Both proposed rules have a 30-day period for public comment.