



NEWS

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Federal Housing Finance Board Adopts Rule To Strengthen Corporate Governance

The Federal Housing Finance Board (Finance Board) today voted unanimously to adopt a rule to enhance the corporate governance of each of the Federal Home Loan Banks by improving the director election process.

Under the rule, each Bank's board of directors will be allowed to conduct a self-assessment to determine the skills and experience needed on its board. Those needs and a description of the skills and qualifications of the nominees may be communicated to their members in a brief statement that could accompany nominations and ballots.

Finance Board Chairman Ronald Rosenfeld stated, "As a result of our actions today, the Banks will have the authority to provide their members with specific information about the skills and qualifications most needed by their particular Bank. A knowledgeable electorate is the best way to assure appropriate governance particularly in light of requirements related to SEC registration."

The proposed rule was published in the Federal Register on April 18, 2006 and was open for public comment for 45 days following publication. The final rule will become effective immediately upon publication in the Federal Register.

The Federal Housing Finance Board is an independent agency in the executive branch that oversees the safety, soundness, and mission of the 12 regional Federal Home Loan Banks. The Banks are government-sponsored enterprises created in 1932 to provide low-cost funding for housing finance. They have more than 8,100 financial institutions as members, including commercial banks, savings and loans, insurance companies and federally insured credit unions. More information can be found at <http://www.FHFB.gov>

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