



# NEWS

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## **Federal Housing Finance Board Approves An Amendment To The Capital Structure Plan of The Federal Home Loan Bank of Seattle**

The Board of Directors of the Federal Housing Finance Board (Finance Board) today approved a request by the Federal Home Loan Bank of Seattle to amend its previously approved capital structure plan (Plan).

The more significant amendments to the Plan would authorize the establishment of an interim Excess Stock Pool and the issuance of Class A stock.

The Excess Stock Pool is a transitional measure that is intended to allow the Bank to increase the amount of advances outstanding to its members. The authority to utilize the Excess Stock Pool would terminate after two years unless extended by the Finance Board. Advances capitalized with stock from the pool also would be subject to certain restrictions, such as individual and aggregate caps and maturities not to exceed one year. In conjunction with the establishment of the Excess Stock Pool, the Bank will increase the stock purchase requirement for advances from the current level of 2.5 percent to 4.0 percent of the outstanding advances. The Bank's board has committed to maintaining the 4.0 percent activity charge for at least the period the excess stock pool is active.

The proposed amendments relating to the issuance of Class A stock, which is redeemable at par for cash on six months written notice, would permit the Bank to issue Class A stock to support advances. The Class A stock could not be issued for any other purposes and would be issued only if a member has no Class B stock available to meet its stock purchase requirement.

Also today, the Board of Directors voted to adopt a resolution amending the reporting requirements for the Call Report System (CRS) presently included in the Federal Housing Finance Board Data Reporting Manual (DRM). Financial data obtained under the new CRS reporting requirement will be used by Office of Supervision staff for scoping and conducting examinations, conducting offsite analysis and monitoring, reviewing accounting practices and financial reports, analyzing the effect of existing or proposed supervisory or regulatory policies, and analyzing the financial performance of an Federal Home Loan Bank (Bank) or the Bank System.

In addition, the Board of Directors voted to approve the appointment of two Bank presidents to serve on the Financing Corporation Directorate (FICO). The FICO Directorate comprises three members: the managing director of the Office of Finance, and two members who are selected by the Finance Board from among the presidents of the Banks. The primary function of FICO is to service debt on bonds that were issued resulting from the savings and loan bailout. Andrew J. Jetter, president of the Topeka Bank, and John R. Price, president of the Pittsburgh Bank, will serve a one year term of office beginning November 10, 2006.

Finally, the Board of Directors adopted an interim final rule revising the Finance Board's regulation implementing the Privacy Act of 1974. The Privacy Act regulates the collection, maintenance, use, and dissemination of personal information by federal agencies. The interim final rule will add new sections

concerning the security of systems of records, collection and use of social security numbers, and employee responsibilities under the Privacy Act. These changes are intended to strengthen the agency's ability to protect sensitive personally identifiable information. The interim final rule will be published in the Federal Register with a 30-day comment period.

*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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