



Number: 2007-20
Date: May 9, 2007

FEDERAL HOUSING FINANCE BOARD

Affirmation of Delegation to Approve New Business Activity Submission

WHEREAS, the Federal Home Loan Bank of Atlanta (Atlanta Bank, or Bank) has supported housing finance by, among other things, purchasing conforming residential mortgage loans from its members under both the Mortgage Partnership Finance program originated by the Federal Home Loan Bank of Chicago and under its own Mortgage Purchase Program (MPP), and in connection with those transactions has performed certain services for its members relating to the acquisition and servicing of the mortgage loans; and

WHEREAS, the Atlanta Bank has submitted a request, pursuant to 12 C.F.R. Part 980, to engage in a proposed new business activity that is intended to provide its members with an additional source of funding for their residential mortgage lending without requiring the Bank to purchase the loans for its own portfolio (NBA Submission); and

WHEREAS, under the terms of the NBA Submission the Atlanta Bank would enter into a business relationship with a member of the Bank and its affiliates (Counterparties), under which the Bank would facilitate the sale of single family, fixed rate, conforming mortgage loans from other participating members of the Bank to the Counterparties; and

WHEREAS, the Counterparties intend to pool the mortgage loans purchased from the participating members of the Atlanta Bank and to issue mortgage-backed securities for sale to investors; and

WHEREAS, the Atlanta Bank would provide to its members certain services to facilitate the sale and servicing of the mortgage loans sold to the Counterparties, but would not purchase or hold any such mortgage loans for its own account, nor would it purchase or hold any of the mortgage-backed securities to be issued by the Counterparties; and

WHEREAS, the Atlanta Bank believes that its participation in this program will provide to those of its members that do not participate in the MPP an alternative means of obtaining funds for making additional residential mortgage loans, and the Atlanta Bank has committed that it will not market this program to its member that participate in MPP; and

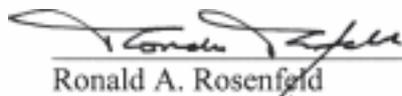
WHEREAS, the authority to approve new business activity submissions on behalf of the Finance Board is delegated to the Director of the Office of Supervision, in consultation with the Office General Counsel; and

WHEREAS, the Office of Supervision and the Office of General Counsel have reviewed the NBA Submission and have determined that the activities in which the Atlanta Bank proposes to engage are similar to certain of the activities in which the Bank currently engages when operating the MPP, and that the provision of such services for the benefit of its members is within the incidental powers of the Bank; and

WHEREAS, the Director of the Office of Supervision has fully briefed the Board of Directors about the NBA Submission and has informed the Board that he has determined that the NBA Submission presents no safety and soundness issues for the Bank and intends to issue a letter to the Atlanta Bank approving the NBA Submission, subject to the conditions that the program be limited to new mortgage loans, *i.e.*, that it not involve the Bank's existing mortgage portfolio, and that the approval is limited to the proposal submitted by the Bank, which may not make any material changes to its activities without first receiving the approval of the Finance Board;

NOW, THEREFORE, IT IS RESOLVED, that the Board of Directors hereby affirms the delegation of authority to the Director of the Office of Supervision to take the action proposed with respect to the NBA Submission.

By the Board of Directors of the
Federal Housing Finance Board



Ronald A. Rosenfeld
Chairman