

Federal Housing Finance Board

§ 941.4

(e) Each Bank shall maintain a mailing list of community groups and interested parties to be notified of the quarterly selection of members for review pursuant to the procedures specified in § 936.4.

§ 936.9 Reports.

Pursuant to 12 U.S.C. 1430(j)(12) and 12 CFR 960.14, the Finance Board provides an annual report to Congress presenting evaluations by the Advisory Councils of their Bank's performance of affordable housing activities during the preceding year. Beginning with reports filed in 1993 and each year thereafter, each Advisory Council will be encouraged to include an analysis of its Bank's Community Support activities in its report to the Finance Board. Beginning in 1993 and continuing each year thereafter, the Finance Board's annual report to Congress shall include an analysis of Bank and Board activities pursuant to this part.

PARTS 937-940—[RESERVED]

PART 941—OPERATIONS OF THE OFFICE OF FINANCE

Sec.

941.1 Definitions.

941.2 General.

941.3 Federal Housing Finance Board oversight.

941.4 Office of Finance.

941.5 Functions of the Office of Finance.

941.6 Director of the Office of Finance.

941.7 Office of Finance Board of Directors.

941.8 Powers of the Office of Finance Board of Directors.

941.9 Duties of the Office of Finance Board of Directors.

941.10 Meetings of the Office of Finance Board of Directors.

941.11 Budget, funding and expenses.

941.12 Savings clause.

AUTHORITY: 12 U.S.C. 1422b, 1431.

SOURCE: 57 FR 2834, Jan. 24, 1992, unless otherwise noted.

§ 941.1 Definitions.

In this part, the following terms mean:

Bank. A Federal Home Loan Bank.

Bank Act. The Federal Home Loan Bank Act.

Bank System. The Federal Home Loan Bank System, consisting of the twelve

Federal Home Loan Banks and including the Office of Finance as a joint office of the Federal Home Loan Banks.

Chair. The Chairperson of the Office of Finance Board of Directors.

Consolidated obligation. A Federal Home Loan Bank consolidated debenture, bond or note issued under authority of section 11 of the Federal Home Loan Bank Act, as amended (12 U.S.C. 1431).

Director. The Director of the Office of Finance.

Finance Board. The Federal Housing Finance Board.

OF Board of Directors. The three member administrative body responsible for management of the Office of Finance.

§ 941.2 General.

This part reorganizes the Office of Finance, a joint office of the Bank System, establishes the OF Board of Directors as the body responsible for the management and operations of the Office of Finance, and defines their respective duties and responsibilities.

§ 941.3 Federal Housing Finance Board oversight.

(a) Section 12(a) of the Bank Act (12 U.S.C. 1432(a)) provides that all activities of a Bank are subject to the approval of the Finance Board. The Finance Board retains the same oversight authority over the Office of Finance and the OF Board of Directors as it has over a Bank and its respective board of directors.

(b) Pursuant to section 20 of the Bank Act (12 U.S.C. 1440), the Finance Board shall audit and examine the Office of Finance, the OF Board of Directors and the Office of Finance Operations Imprest Fund.

§ 941.4 Office of Finance.

(a) *Establishment.* An Office of Finance is hereby established which shall have the responsibilities, duties and functions described herein.

(b) *Status.* The Office of Finance is recognized as a joint office of the Bank System.

(c) *Mission.* The Office of Finance shall:

§ 941.5

(1) Issue the consolidated obligations pursuant to section 11 of the Bank Act, as amended (12 U.S.C. 1431);

(2) Perform all other necessary and proper functions in relation to the consolidated obligations, as fiscal agent on behalf of the Banks; and

(3) Undertake any other activities expressly approved by the Finance Board.

§ 941.5 Functions of the Office of Finance.

Subject to limitations set by the OF Board of Directors, the Office of Finance shall have the following duties and functions:

(a) Conduct all negotiations relating to the public or private offering and sale of consolidated obligations, and perform such other related functions as may be authorized by resolution of the Finance Board;

(b) Perform such functions for the Financing Corporation and/or the Resolution Funding Corporation, on behalf of the Banks, as may be requested by each such entity; and

(c) Make timely payments on behalf of the Banks of principal and interest due on all consolidated obligations issued pursuant hereto.

§ 941.6 Director of the Office of Finance.

(a) The Office of Finance shall be headed by a Director who shall be responsible for the overall daily management of the Office of Finance functions and organization, including:

(1) Implementation of the OF Board of Directors' plans and policies for the administration of the Office of Finance;

(2) Organization and development of the personnel structure of the Office of Finance;

(3) Employment and management of personnel;

(4) Preparation of the budget for presentation to the OF Board of Directors pursuant to § 941.11; and

(5) Performance of any duty assigned by the OF Board of Directors, including providing it any records, reports or other data in the possession of the Office of Finance whenever requested to do so.

(b) The Director shall perform the duties described herein and the func-

12 CFR Ch. IX (1–1–97 Edition)

tions of the Office of Finance subject to the policies adopted by the OF Board of Directors.

(c) The Director shall be:

(1) The Fiscal Agent of the Federal Home Loan Banks;

(2) A member of the Directorate of the Financing Corporation, pursuant to section 21(b)(1)(A) of the Federal Home Loan Bank Act, as amended (12 U.S.C. 1441(b)(1)(A)); and

(3) A member of the Directorate of the Resolution Funding Corporation, pursuant to section 21B(c)(1)(A) of the Federal Home Loan Bank Act, as amended (12 U.S.C. 1441b(c)(1)(A)).

[57 FR 2834, Jan. 24, 1992, as amended at 57 FR 11429, Apr. 3, 1992]

§ 941.7 Office of Finance Board of Directors.

(a) *Establishment.* The Office of Finance Board of Directors is hereby created.

(b) *Use of facilities or personnel.* The OF Board of Directors may utilize the facilities or personnel of the Office of Finance or any Bank in order to perform its functions.

(c) *Membership.* The OF Board of Directors shall consist of three part-time members appointed by the Finance Board as follows:

(1) *Bank System.* Two Bank Presidents; and

(2) *Private Citizen.* A citizen of the United States with a demonstrated expertise in financial markets. Such appointee may not be an officer, director or employee of a Bank or Bank System member, hold shares, or any other financial interest in, any member of a Bank, or be affiliated with any FHLBank consolidated obligation selling or dealer group member under contract with the Office of Finance.

(d) *Terms*—(1) *Length.* Except is provided in paragraphs (d)(3) and (4) of this section, the OF Board of Directors shall serve at the pleasure of the Finance Board or for terms, which shall be staggered, of three years beginning on April 1.

(2) *Vacancy.* The Finance Board shall fill any vacancy occurring on the OF Board of Directors. An appointment to fill a vacancy shall be only for the remainder of the term during which the vacancy occurred.

Federal Housing Finance Board

§ 941.8

(3) *Holdover.* At the direction of the Finance Board, any member of the OF Board of Directors is authorized to continue to serve on the OF Board of Directors after the expiration of the member's term until a successor has been appointed by the Finance Board.

(4) *Initial terms.* Notwithstanding paragraph (d)(1) herein, the terms of the members of the first OF Board of Directors convened pursuant to this part shall be as follows:

(i) One of the Bank President members shall serve from the date of appointment until March 31, 1993 or at the pleasure of the Finance Board and the other shall serve from the date of appointment until March 31, 1994 or at the pleasure of the Finance Board.

(ii) The Private Citizen member shall serve from the date of appointment until March 31, 1995 or at the pleasure of the Finance Board.

(e) *Chair.* (1) The Finance Board shall designate one member of the OF Board of Directors as the Chair, and another member as the Vice Chair.

(2) The Chair shall preside over the meetings of the OF Board of Directors. In the absence of the Chair, the Vice Chair shall preside.

(3) The Chair shall be responsible for ensuring that the directives and resolutions of the OF Board of Directors are drafted and maintained and for keeping the minutes of all meetings.

(f) *Compensation—(1) Bank System members.* (i) The Bank President members shall not receive any additional compensation or reimbursement as a result of their service on the OF Board of Directors.

(ii) Each Bank is authorized to continue to pay its President a salary during attendance at the OF Board of Directors meetings and to pay in accordance with the travel and expense reimbursement policies in effect at such President's Bank such President's travel and *per diem* expenses for attendance at OF Board of Directors meetings.

(iii) Each Bank shall be entitled to be reimbursed by the Office of Finance for its expenditure of travel and *per diem* expenses associated with its Bank President's attendance at OF Board of Directors meetings as a member thereof.

(2) *Private Citizen member.* The Office of Finance shall pay compensation and expenses to the Private Citizen member of the OF board of directors in accordance with the requirements for payment of compensation and expenses to Bank directors set forth in section 932.27 of this chapter, except that, for these purposes:

(i) The Office of Finance policy on director compensation must be approved by the board of directors of the Finance Board;

(ii) Section 932.27(a)(3) and (c)(1)(ii) of this chapter shall not apply; and

(iii) The terms "average compensation per director" and "ACPD," as used in §932.27 of this chapter, shall mean "maximum compensation of the Private Citizen member".

[57 FR 2834, Jan. 24, 1992, as amended at 57 FR 11429, Apr. 3, 1992; 61 FR 43155, Aug. 21, 1996]

§941.8 Powers of the Office of Finance Board of Directors.

(a) *General.* The OF Board of Directors shall enjoy such incidental powers under section 12(a) of the Bank Act (12 U.S.C. 1432(a)), as are necessary, convenient and proper to accomplish the efficient operation and management of the Office of Finance pursuant to this part.

(b) *Agent.* Subject to any limitations set by the Finance Board, the OF Board of Directors, in the performance of its duties, shall have the power to act:

(1) On behalf of the Finance Board in the issuing of consolidated obligations; and

(2) On behalf of the Banks in the paying of principal and interest due on the consolidated obligations.

(c) *Delegation.* The OF Board of Directors shall be empowered to delegate any of its powers to any employee of the Office of Finance in order to enable the Office of Finance to carry out its functions.

(d) *Indemnification.* (1) The OF Board of Directors is empowered to determine the terms and conditions under which its members, the Director, and other officers and employees of the Office of Finance will be indemnified by the Office of Finance, provided: that such

terms and conditions will not be inconsistent with terms and conditions of indemnification of directors, officers and employees of the Bank System, generally.

(2) Such indemnification procedures, when duly adopted, may be supplemented by a contract of insurance, and all expenses incident to indemnification will be treated as an expense of the Office of Finance.

[57 FR 2834, Jan. 24, 1992, as amended at 57 FR 11429, Apr. 3, 1992]

§ 941.9 Duties of the Office of Finance Board of Directors.

(a) *General*—(1) *Bylaws*. The OF Board of Directors shall adopt bylaws governing its operations and issue such guidance or instructions as will promote the efficient operation of the Office of Finance.

(2) *Conduct of Business*. The OF Board of Directors shall conduct its business by majority vote of its members convened at a meeting in accordance with its bylaws.

(b) *Oversight*. The OF Board of Directors shall:

(1) Have overall responsibility for the performance of the duties and functions of the Office of Finance pursuant hereto and for its efficient and effective operation;

(2) Set policies for the Office of Finance;

(3) Approve a strategic business plan for the Office of Finance and monitor the progress of its operations under such plan;

(4) Subject to Finance Board approval, review, adopt and monitor the annual operating budget of the Office of Finance including any supplemental expenditure thereto;

(5) Develop and implement the pricing mechanism by which the Office of Finance will make private or public offerings of consolidated obligations, in consultation with the Finance Board or its designee;

(6) Subject to Finance Board approval, select and employ the Director under an annual contract of employment;

(7) Review and approve all contracts of the Office of Finance; and

(8) Assume any other responsibilities that may from time to time be delegated to it by the Finance Board.

§ 941.10 Meetings of the Office of Finance Board of Directors.

(a) *Meetings*. (1) The OF Board of Directors shall adopt procedures for holding meetings which shall be set forth in the bylaws and such meetings shall be held not less than once each quarter of each year.

(2) Due notice shall be given to the Finance Board by the Chair prior to each meeting.

(b) *Quorum*. A quorum for purposes of OF Board of Directors meetings shall be at least two members.

[57 FR 2834, Jan. 24, 1992, as amended at 57 FR 11429, Apr. 3, 1992]

§ 941.11 Budget, funding and expenses.

(a) *General*. The budget of the Office of Finance shall be calculated on a calendar year basis.

(b) *Initial review*. The OF Board of Directors shall be responsible for initially reviewing and approving the budget of the Office of Finance, which shall include the budget for the OF Board of Directors.

(c) *Agency review*. After its approval of the budget, pursuant to paragraph (b) herein, the OF Board of Directors annually shall submit the Office of Finance budget to the Finance Board for its review and approval. Upon approval by the Finance Board, the OF Board of Directors shall transmit a copy of the budget to each of the Bank Presidents.

(d) *Expenses*. Upon the approval of the budget by the Finance Board in accordance with paragraph (c) herein, the OF Board of Directors may authorize the Director to make payments pursuant to the budget as necessary.

(e) *Imprest fund*—(1) *Checking account*. The Office of Finance shall establish a checking account in a financial depository institution approved by the OF Board of Directors, to be called the “Office of Finance Operations Imprest Fund.” The Director shall maintain an amount therein approved by the OF Board of Directors.

(2) *Use*. The funds in such checking account shall be:

Federal Housing Finance Board

§ 943.2

(i) Available for expenses of the Office of Finance and the OF Board of Directors, according to their approved budgets; and

(ii) Subject to withdrawal by check or draft signed by the Director or other person designated by the OF Board of Directors.

(f) *Funding*—(1) *General*. The Bank System is responsible for funding the expenses of the Office of Finance and the OF Board of Directors.

(2) *Method*. (i) The Banks shall jointly fund the Office of Finance by periodically reimbursing the Office of Finance Operations Imprest Fund in order to maintain in such Fund the amount approved in paragraph (e)(1) herein.

(ii) Each Bank's respective *pro rata* share of the reimbursement described in paragraph (f)(2)(i) herein shall be based on the ratio of the total paid-in value of its capital stock relative to the total paid-in value of all capital stock in the Bank System.

(iii) Notwithstanding the formula devised herein, the OF Board of Directors may devise an alternative formula for determining each Bank's respective share of Office of Finance expenses. Upon approval by the Finance Board, such alternative formula shall supersede the formula devised herein.

(3) *Payment*. Each Bank from time to time shall promptly forward funds to the Office of Finance in an amount representing its share of the reimbursement described in paragraph (f)(2)(i) herein when directed to do so by the Director pursuant to procedures of the OF Board of Directors.

(4) *Receipt*. All Bank funds received by the Office of Finance pursuant to this section shall be promptly deposited into the checking account described in paragraph (e)(1) herein and disbursed according to this part.

(5) *Procedures*. The OF Board of Directors shall adopt procedures governing the payment or reimbursement of expenses of the Office of Finance and the OF Board of Directors.

§ 941.12 Savings clause.

(a) The Office of Finance Operations Imprest Fund is available to pay for all expenses of the Office of Finance existing prior to the adoption of this part.

(b) All actions taken by the Office of Finance as it existed prior to the adoption of this part continue to be valid as regards the Finance Board and the Bank System.

(c) Notwithstanding any provision of this part, the Office of Finance or its Director may continue to exercise any powers delegated to it by the Finance Board or the former Federal Home Loan Bank Board, which they exercise on the date of the adoption of this part, until the first meeting of the OF Board of Directors created pursuant hereto.

PART 942—[RESERVED]

PART 943—COLLECTION, SETTLEMENT, AND PROCESSING OF PAYMENT INSTRUMENTS

Sec.

943.1 Authority and scope.

943.2 Definitions.

943.3 General provisions.

943.4 Incidental powers.

943.5 Operations.

943.6 Pricing of services.

943.7 Rights, powers, responsibilities, duties, and liabilities.

AUTHORITY: 12 U.S.C. 1430, 1431.

SOURCE: 45 FR 64164, Sept. 29, 1980, unless otherwise noted. Redesignated at 54 FR 36759, Sept. 5, 1989.

§ 943.1 Authority and scope.

(a) Pursuant to section 11(e)(2) of the Federal Home Loan Bank Act (12 U.S.C. 1431(e)(2)) (Bank Act), the Board has promulgated this part governing the collection, processing, and settlement, and services incidental thereto, of drafts, checks, and other negotiable and nonnegotiable items and instruments by Federal Home Loan Banks. Settlement, collection, and processing include the following activities as defined in this part: Account processing, data processing, data communication, issuance of forms, transportation of items, and storage services.

(b) Any activity authorized by section 11(e)(2) of the Bank Act shall be governed by the provisions of this part.

§ 943.2 Definitions.

(a) Unless otherwise defined in this part, the terms used in this part shall conform, in the following order, to: