

Federal Reserve

Monday
May 13, 1996

Part LIV

Federal Housing Finance Board

Semiannual Regulatory Agenda

FEDERAL HOUSING FINANCE BOARD (FHFB)

**FEDERAL HOUSING FINANCE BOARD
12 CFR Ch. IX**

Agenda of Federal Regulations

AGENCY: Federal Housing Finance Board.

ACTION: Semiannual regulatory agenda.

SUMMARY: The Federal Housing Finance Board (Finance Board) hereby publishes items for the Unified Agenda of Federal Regulations. These items reflect the

status of the regulatory agenda of the Finance Board as of April 1, 1996. The Finance Board is an independent agency in the executive branch of the Government and is the regulator of the Federal Home Loan Bank System and the Financing Corporation. The Finance Board has an ongoing need to adopt various regulations dealing with the Agency's internal administration and with Federal Home Loan Bank System issues.

ADDRESSES: Executive Secretariat, Federal Housing Finance Board, 1777 F

Street NW., Washington, DC 20006, (202) 408-2837.

FOR FURTHER INFORMATION CONTACT: Eric M. Raudenbush, Attorney-Advisor, Office of General Counsel, Room 324, Federal Housing Finance Board, 1777 F Street NW., Washington, DC 20006, (202) 408-2932.

Dated: March 15, 1996.
By the Federal Housing Finance Board.
Elaine L. Baker,
Executive Secretary.

FEDERAL HOUSING FINANCE BOARD (FHFB)

Proposed Rule Stage

4282. AFFORDABLE HOUSING PROGRAM

Priority: Economically Significant

Reinventing Government: This rulemaking is part of the Reinventing Government effort. It will revise text in the CFR to reduce burden or duplication, or streamline requirements.

Legal Authority: 12 USC 1422b(a)(1); 12 USC 1430(j)

CFR Citation: 12 CFR 960

Legal Deadline: None

Abstract: The Federal Housing Finance Board (Finance Board) will issue a second proposed rule revising its regulation governing the Affordable Housing Program (AHP) in order to simplify and clarify the AHP's requirements for the Federal Home Loan Banks (FHLBanks) and their members.

Statement of Need: The Finance Board is revising its AHP Regulation in order to address operational issues that have arisen during the 6 years the program has been in existence. The proposed AHP amendments will help enhance the AHP's compatibility with various State and Federal housing programs that provide funds in conjunction with AHP funds. In addition, the amendments would make the AHP more responsive to local low-income housing needs in each of the 12 FHLBank districts and increase efficiency in administration of the program.

Summary of the Legal Basis: Section 10(j) of the Federal Home Loan Bank Act requires the Finance Board to

promulgate regulations governing the AHP. See 12 U.S.C. 1430(j).

Alternatives: During the development of the proposed AHP amendments, the Finance Board considered various alternative approaches to dealing with the operational issues that have arisen over the 6 years of the AHP's existence. In addition, the Finance Board will consider all alternatives suggested by the public during the notice-and-comment process.

Anticipated Costs and Benefits: At this time, it is not possible to quantify the expected costs and benefits of the revised AHP regulation. In general, the Finance Board expects the revised AHP regulation to reduce the FHLBanks' administrative costs of operating the AHP.

Risks: The revised AHP regulation does not address issues of financial risk to the FHLBanks. The advances made by the FHLBanks through the AHP, like all FHLBank advances, are governed by the Finance Board's Advances regulation, which addresses the safety and soundness issues involved in making advances. Because advances made through the AHP are overcollateralized, there is a low magnitude of risk of loss to the FHLBanks in making such advances.

Timetable:

Action	Date	FR Cite
NPRM	01/10/94	59 FR 1323
NPRM Comment Period End	03/11/94	
Second NPRM	06/00/96	
Second NPRM Comment Period End	08/00/96	

Action	Date	FR Cite
Final Action	10/00/96	
Final Action Effective	12/00/96	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Diane E. Dorius, Deputy Director, Office of Housing Finance, Federal Housing Finance Board, 1777 F Street NW., Washington, DC 20006
Phone: 202 408-2576

RIN: 3069-AA28

4283. PRACTICE BEFORE THE BOARD OF DIRECTORS

Priority: Other

Legal Authority: 12 USC 1422b; 5 USC 504; 5 USC 554 to 557

CFR Citation: 12 CFR 914

Legal Deadline: None

Abstract: The Finance Board is proposing to adopt a regulation setting forth the rules for adjudicatory proceedings before the Finance Board.

Timetable:

Action	Date	FR Cite
NPRM	06/00/96	
NPRM Comment Period End	08/00/96	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: David A. Guy, Associate General Counsel, Federal Housing Finance Board, 1777 F Street NW., Washington, DC 20006
Phone: 202 408-2536

RIN: 3069-AA31

FHFB

Proposed Rule Stage

4284. MODIFICATION OF COMMUNITY SUPPORT REGULATION**Priority:** Substantive, Nonsignificant**Legal Authority:** 12 USC 1430(g)**CFR Citation:** 12 CFR 936**Legal Deadline:** None

Abstract: The Finance Board issued an advance notice of proposed rulemaking requesting public comment to assist the Finance Board in amending its Community Support regulations to provide standards for the community support requirements for insurance company and credit union members of the Federal Home Loan Bank System.

Timetable:

Action	Date	FR Cite
ANPRM	09/02/93	58 FR 46469
ANPRM Comment Period End	12/31/93	58 FR 58305
NPRM	12/00/96	
NPRM Comment Period End	02/00/97	

Small Entities Affected: None**Government Levels Affected:** None

Agency Contact: Brandon B. Straus, Attorney-Advisor, Federal Housing Finance Board, 1777 F Street NW., Washington, DC 20006
Phone: 202 408-2589

RIN: 3069-AA35**4285. SELECTION AND COMPENSATION OF FEDERAL HOME LOAN BANK EMPLOYEES****Priority:** Routine and Frequent

Reinventing Government: This rulemaking is part of the Reinventing Government effort. It will revise text in the CFR to reduce burden or duplication, or streamline requirements.

Legal Authority: 12 USC 1422a; 12 USC 1422b; 12 USC 1432(a)**CFR Citation:** 12 CFR 932**Legal Deadline:** None

Abstract: The Finance Board is proposing to amend its regulation on

Organization of the Federal Home Loan Banks to transfer to the Banks specific responsibilities for selection and compensation of Bank employees.

Timetable:

Action	Date	FR Cite
NPRM	06/00/96	
NPRM Comment Period End	08/00/96	
Final Action	09/00/96	
Final Action Effective	10/00/96	

Small Entities Affected: None**Government Levels Affected:** None

Agency Contact: David A. Guy, Associate General Counsel, Federal Housing Finance Board, 1777 F Street NW., Washington, DC 20006
Phone: 202 408-2536
Fax: 202 408-2580

RIN: 3069-AA42**4286. FEDERAL HOME LOAN BANK DIVIDENDS****Priority:** Routine and Frequent

Reinventing Government: This rulemaking is part of the Reinventing Government effort. It will revise text in the CFR to reduce burden or duplication, or streamline requirements.

Legal Authority: 12 USC 1422a; 12 USC 1422b; 12 USC 1436**CFR Citation:** 12 CFR 932**Legal Deadline:** None

Abstract: The Finance Board intends to amend its regulations to establish the standards and conditions under which the Federal Home Loan Banks may pay dividends without prior Finance Board approval.

Timetable:

Action	Date	FR Cite
NPRM	09/00/96	
NPRM Comment Period End	11/00/96	

Small Entities Affected: None**Government Levels Affected:** None

Agency Contact: Thomas D. Sheehan, Director, Office of Policy and Research, Federal Housing Finance Board, 1777 F Street NW., Washington, DC 20006
Phone: 202 408-2870

RIN: 3069-AA46**4287. FEDERAL HOME LOAN BANK DIRECTORS FEES AND EXPENSES****Priority:** Substantive, Nonsignificant

Reinventing Government: This rulemaking is part of the Reinventing Government effort. It will revise text in the CFR to reduce burden or duplication, or streamline requirements.

Legal Authority: 12 USC 1422b; 12 USC 1427**CFR Citation:** 12 CFR 932.27**Legal Deadline:** None

Abstract: The Finance Board is considering the promulgation of a new regulation governing fees and expenses for Federal Home Loan Bank directors. The new regulation would replace the existing Finance Board policy on directors fees and expenses and would allow the Banks more freedom in developing policies on payment of fees and expenses to their board directors.

Timetable:

Action	Date	FR Cite
NPRM	05/00/96	
NPRM Comment Period End	07/00/96	

Small Entities Affected: None**Government Levels Affected:** None

Agency Contact: Eric M. Raudenbush, Attorney-Advisor, Federal Housing Finance Board, 1777 F Street NW., Washington, DC 20006
Phone: 202 408-2932
Fax: 202 408-2580

RIN: 3069-AA49

FEDERAL HOUSING FINANCE BOARD (FHFB)

Final Rule Stage

4288. ADVANCES TO NONMEMBER MORTGAGEES**Priority:** Substantive, Nonsignificant**Legal Authority:** 12 USC 1422a(a)(3); 12 USC 1422b(a)(1); 12 USC 1430b**CFR Citation:** 12 CFR 935**Legal Deadline:** None

Abstract: The Federal Housing Finance Board adopted an interim regulation amending its regulation on Federal Home Loan Bank advances to establish revised and new requirements governing advances to nonmember mortgagees and to implement provisions of the Housing and Community Development Act of 1992 regarding special advances to qualified nonmember mortgagees that are state housing finance agencies.

Timetable:

Action	Date	FR Cite
Interim Final Rule	05/20/93	58 FR 29474
Final Action	09/00/96	

Small Entities Affected: None**Government Levels Affected:** None

Agency Contact: Deborah F. Silberman, Deputy General Counsel, Federal Housing Finance Board, 1777 F Street NW., Washington, DC 20006
Phone: 202 408-2570

RIN: 3069-AA27**4289. MODIFICATION OF DEFINITION OF DEPOSITS IN BANKS OR TRUST COMPANIES****Priority:** Substantive, Nonsignificant**Legal Authority:** 12 USC 1422b; 12 USC 1431(g)**CFR Citation:** 12 CFR 931.5**Legal Deadline:** None

Abstract: The Finance Board issued a proposed rule amending the definition of "deposits in banks or trust companies" in section 931.5 of its regulations in order to include sales of Federal funds to banks in the category of investments that are eligible to fulfill the Federal Home Loan Banks' liquidity requirement contained in section 11(g) of the Federal Home Loan Bank Act.

Timetable:

Action	Date	FR Cite
NPRM	09/29/93	58 FR 50867
NPRM Comment Period End	11/29/93	
Final Action	04/00/96	
Final Action Effective	04/00/96	

Small Entities Affected: None**Government Levels Affected:** None

Agency Contact: Janice A. Kaye, Attorney-Advisor, Federal Housing Finance Board, 1777 F Street NW., Washington, DC 20006
Phone: 202 408-2505

RIN: 3069-AA33**4290. MEMBERS OF THE FEDERAL HOME LOAN BANKS****Priority:** Other Significant

Reinventing Government: This rulemaking is part of the Reinventing Government effort. It will revise text in the CFR to reduce burden or duplication, or streamline requirements.

Legal Authority: 12 USC 1422a; 12 USC 1422b; 12 USC 1424; 12 USC 1426; 12 USC 1442**CFR Citation:** 12 CFR 933**Legal Deadline:** None

Abstract: The Finance Board is amending its regulation on members of the Banks to allow the 12 Federal Home Loan Banks, rather than the Finance Board, to approve applications for Bank membership.

Statement of Need: The proposed rule permits the FHLBanks, rather than the Finance Board, to approve applications for FHLBank membership. It requires the FHLBanks to apply most of the tests and criteria for membership currently used by the Finance Board in approving applications. The regulation, as amended, would further the Finance Board's policy to devolve to the FHLBanks as many functions of corporate governance as are practicable under the current statutory scheme.

Summary of the Legal Basis: Section 4 of the Bank Act sets forth eligibility criteria for membership in FHLBanks, but does not require expressly that the Finance Board approve individual applications for membership. (See 12 USC 1424.) Section 2B(a)(1) of the Bank Act authorizes the Finance Board to promulgate regulations necessary to carry out the provisions of the Bank Act (see 1422b(a)(1)), including those necessary to fulfill the Finance Board's duties to ensure the safety and soundness of the FHLBank system (see 1424a(3)(A)), and to ensure that the FHLBanks carry out their housing finance mission (see 1422a(3)(B)(i)). Therefore, the Finance Board has the

statutory power both to devolve to the FHLBanks approval authority regarding membership applications and to establish regulatory guidelines to govern the FHLBanks' exercise of such authority.

Alternatives: In deciding whether to amend its regulation on members of the FHLBanks, the Finance Board considered the possibility of retaining final approval authority over FHLBank membership applications. However, the Finance Board determined that such a course would continue to cause unnecessary delay in the processing of membership applications and would maintain a layer of bureaucracy in the application process that is not necessary to ensure the safety and soundness of the FHLBank System or to ensure that the FHLBanks are carrying out their housing finance mission.

Anticipated Costs and Benefits: The regulation on members of the FHLBanks, as amended, will not impose any additional costs on either the Finance Board, the FHLBanks, or potential FHLBank members and will render benefits to each. Applicants for membership will continue to submit application materials, but will do so pursuant to streamlined procedures. FHLBanks will continue to review membership applications, as they do currently, but will not need to prepare the materials for Finance Board review. With the elimination of the membership application review function, Finance Board staffing levels may be reduced, or staff time may be devoted to other priorities. Ultimately, this will benefit the FHLBanks, which fund Finance Board operations through the payment of annual assessments.

Risks: The only risk to which the amendment of the regulation on members of the FHLBank System applies is the financial risk assumed by FHLBanks in accepting financial institutions as members. The amended regulation will minimize this risk by requiring that the FHLBanks apply the same safety and soundness guidelines in assessing membership applications that are applied now by the Finance Board.

Timetable:

Action	Date	FR Cite
NPRM	10/27/95	60 FR 54958
NPRM Comment Period End	12/26/95	

FHFB

Final Rule Stage

Action	Date	FR Cite
Final Action	06/00/96	
Final Action Effective	08/00/96	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Amy R. Maxwell,
Associate Director, District Banks
Secretariat, Federal Housing Finance
Board, 1777 F Street NW., Washington,
DC 20006
Phone: 202 408-2882

RIN: 3069-AA41

4291. AFFORDABLE HOUSING PROGRAM APPLICATION SUBSIDY LIMITS

Priority: Routine and Frequent

Legal Authority: 12 USC 1422a; 12 USC 1422b; 12 USC 1430(j)

CFR Citation: 12 CFR 960

Legal Deadline: None

Abstract: The Finance Board is amending its Affordable Housing Program (AHP) Regulation to permit the Federal Home Loan Banks to establish uniform limits on the amount of AHP subsidy available to Bank members under a Bank's AHP.

Timetable:

Action	Date	FR Cite
NPRM	11/01/95	60 FR 55487
NPRM Comment Period End	12/18/95	
Final Action	04/00/96	
Final Action Effective	05/00/96	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Sharon B. Like,
Attorney-Advisor, Federal Housing
Finance Board, 1777 F Street NW.,
Washington, DC 20006
Phone: 202 408-2930
Fax: 202 408-2580

RIN: 3069-AA45

FEDERAL HOUSING FINANCE BOARD (FHFB)

Long-Term Actions

4292. COMMUNITY INVESTMENT PROGRAM

Priority: Economically Significant

CFR Citation: 12 CFR 961

Timetable: Next Action Undetermined

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Sylvia Martinez
Phone: 202 408-2825

RIN: 3069-AA05

FEDERAL HOUSING FINANCE BOARD (FHFB)

Completed Actions

4293. PAPERWORK REDUCTION ACT—COLLECTION OF INFORMATION CONTROL NUMBERS

Priority: Other

Legal Authority: 44 USC 3506

CFR Citation: 12 CFR 908

Legal Deadline: None

Abstract: The Finance Board has considered adopting a new part 908 to its general regulations to display its current information control numbers issued by the Office of Management and Budget for the Finance Board's forms that require the collection of data.

Timetable:

Action	Date	FR Cite
Withdrawn	02/09/96	

Small Entities Affected: Businesses

Government Levels Affected: None

Agency Contact: David A. Guy,
Associate General Counsel, Federal
Housing Finance Board, 1777 F Street
NW., Washington, DC 20006
Phone: 202 408-2536

RIN: 3069-AA25

4294. CLAIMS REGULATION

Priority: Other

Legal Authority: 12 USC 1422b; 12 USC 1438(b); 12 USC 1833e; 31 USC 3711(e); 31 USC 3721

CFR Citation: 12 CFR 902

Legal Deadline: None

Abstract: The Finance Board had considered issuing a regulation governing the procedures and standards for the administrative collection, compromise, and termination of agency collection, and the referral of claims to the General Accounting Office of the Department of Justice for litigation of civil claims. The regulation also would have established the Finance Board's procedures and standards governing claims filed against the Finance Board by employees for loss or damage to personal property.

Timetable:

Action	Date	FR Cite
Withdrawn	02/09/96	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: David A. Guy,
Associate General Counsel, Federal
Housing Finance Board, 1777 F Street
NW., Washington, DC 20006
Phone: 202 408-2536

RIN: 3069-AA30

4295. PRICING OF COMMUNITY INVESTMENT PROGRAM ADVANCES

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 1422b; 12 USC 1430

CFR Citation: 12 CFR 935

Legal Deadline: None

Abstract: The Finance Board had considered amending its regulations to establish guidelines for pricing Community Investment Program advances.

Timetable:

Action	Date	FR Cite
Withdrawn	02/09/96	

Small Entities Affected: None

Government Levels Affected: None

FHFB

Completed Actions

Agency Contact: Brandon B. Straus, Attorney-Advisor, Federal Housing Finance Board, 1777 F Street NW., Washington, DC 20006
Phone: 202 408-2589
RIN: 3069-AA32

4296. AFFORDABLE HOUSING MAXIMUM SUBSIDY LIMITATIONS

Priority: Substantive, Nonsignificant

Reinventing Government: This rulemaking is part of the Reinventing Government effort. It will revise text in the CFR to reduce burden or duplication, or streamline requirements.

Legal Authority: 12 USC 1422b; 12 USC 1430(j)

CFR Citation: 12 CFR 960.9

Legal Deadline: None

Abstract: The Finance Board has adopted an interim rule which amends its Affordable Housing Program (AHP) regulation by revising the maximum subsidy requirements applicable to projects receiving subsidized advances or other assistance from the Federal Home Loan Banks under the AHP.

Timetable:

Action	Date	FR Cite
Interim Final Rule	04/07/93	58 FR 17968
Merged into RIN 3069-AA28	02/09/96	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Sharon B. Like, Attorney-Advisor, Federal Housing Finance Board, 1777 F Street NW., Washington, DC 20006
Phone: 202 408-2930

RIN: 3069-AA34

4297. AMENDMENT OF AFFORDABLE HOUSING PROGRAM AND COMMUNITY SUPPORT REQUIREMENTS REGULATIONS

Priority: Routine and Frequent

Reinventing Government: This rulemaking is part of the Reinventing Government effort. It will revise text in the CFR to reduce burden or duplication, or streamline requirements.

Legal Authority: 12 USC 1422a; 12 USC 1422b; 12 USC 1429; 12 USC 1430(a); 12 USC 1430(g); 12 USC 1430(j)

CFR Citation: 12 CFR 936; 12 CFR 960

Legal Deadline: None

Abstract: The Federal Housing Finance Board issued a proposed rule amending the definitions of "very low-income household" and "low- or moderate-income household" in its Affordable Housing Program (AHP) and Community Support Requirements (CSR) regulations. The proposed rule also adds a definition of "adjustment for family size" to the AHP and CSR regulations as well as removes the definition of "median income" from the AHP and CSR regulations.

Timetable:

Action	Date	FR Cite
NPRM	11/05/93	58 FR 58988
NPRM Comment	01/04/94	
Period End		
Merged into RIN 3069-AA28	02/09/96	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Brandon B. Straus, Attorney-Advisor, Federal Housing Finance Board, 1777 F Street NW., Washington, DC 20006
Phone: 202 408-2589

RIN: 3069-AA38

4298. AMENDMENT OF AFFORDABLE HOUSING PROGRAM REGULATION

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 1422a; 12 USC 1422b; 12 USC 1430(j)

CFR Citation: 12 CFR 960

Legal Deadline: None

Abstract: The Finance Board adopted a final rule amending its Affordable Housing Program (AHP) regulation to permit the Federal Home Loan Banks to set aside a limited amount of AHP funds for assistance to first-time homebuyers and, with the Board's prior approval, other homeownership goals of the President's National Homeownership strategy.

Timetable:

Action	Date	FR Cite
NPRM	07/28/95	60 FR 38768
NPRM Comment	08/28/95	
Period End		
Final Action	09/25/95	60 FR 49327
Final Action Effective	10/25/95	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Brandon B. Straus, Attorney-Advisor, Federal Housing Finance Board, 1777 F Street NW., Washington, DC 20006
Phone: 202 408-2589
Fax: 202 408-2580

RIN: 3069-AA43

4299. COMMUNITY SUPPORT REQUIREMENTS; RESTRICTIONS ON ACCESS TO NEW LONG-TERM ADVANCES

Priority: Routine and Frequent

Reinventing Government: This rulemaking is part of the Reinventing Government effort. It will revise text in the CFR to reduce burden or duplication, or streamline requirements.

Legal Authority: 12 USC 1422a; 12 USC 1422b; 12 USC 1429; 12 USC 1430(a); 12 USC 1430(g)

CFR Citation: 12 CFR 936

Legal Deadline: None

Abstract: The Finance Board is amending its regulation on Community Support Requirements to clarify and streamline the procedures governing restriction of access to new long-term advances for Federal Home Loan Bank members that fail to meet community support requirements.

Timetable:

Action	Date	FR Cite
Withdrawn	02/09/96	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Janice A. Kaye, Attorney-Advisor, Federal Housing Finance Board, 1777 F Street NW., Washington, DC 20006
Phone: 202 408-2505
Fax: 202 408-2580

RIN: 3069-AA44

4300. • CHARITABLE CONTRIBUTIONS

Priority: Substantive, Nonsignificant

Reinventing Government: This rulemaking is part of the Reinventing Government effort. It will eliminate existing text in the CFR.

Legal Authority: 12 USC 1422b; 12 USC 1442

CFR Citation: 12 CFR 934

Legal Deadline: None

FHFB

Completed Actions

Abstract: The Finance Board rescinded its regulation limiting the dollar amount that a Federal Home Loan Bank may contribute to charitable organizations during a calendar year.

Timetable:

Action	Date	FR Cite
Final Action	12/20/95	60 FR 65515
Final Action Effective	12/20/95	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: E. Ellen Hancock, Assistant Director, Office of Policy and Financial Reporting, Federal Housing Finance Board, 1777 F Street NW., Washington, DC 20006
Phone: 202 408-2906

RIN: 3069-AA47

4301. • PRICING SERVICES

Priority: Other

Reinventing Government: This rulemaking is part of the Reinventing Government effort. It will revise text in the CFR to reduce burden or duplication, or streamline requirements.

Legal Authority: 12 USC 1431(e)

CFR Citation: 12 CFR 943.6

Legal Deadline: None

Abstract: The Finance Board amended its regulation regarding item processing services by the Federal Home Loan Banks by eliminating the requirement of prior Finance Board approval of prices for such services

Timetable:

Action	Date	FR Cite
Final Action	11/17/95	60 FR 57681
Final Action Effective	11/17/95	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Edward J. Reedy, Associate Director, Regulatory Oversight Division, Federal Housing Finance Board, 1777 F Street NW., Washington, DC 20006
Phone: 202 408-2959

RIN: 3069-AA48

[FR Doc. 96-6955 Filed 05-10-96; 8:45 am]

BILLING CODE 6725-01-F