

No. : 95-18
Date: August 9, 1995

FEDERAL HOUSING FINANCE BOARD

1995 FHLBank Presidents' Incentive Compensation Program

WHEREAS, pursuant to 12 U.S.C., section 1432, the Federal Housing Finance Board (Finance Board) shall approve the compensation for Federal Home Loan Bank (FHLBank) Presidents; and

WHEREAS, by resolution #91-565, dated November 19, 1991, the Finance Board approved a FHLBank Presidents' Compensation Plan (Plan) for use by the FHLBanks for payment of compensation to the Presidents, which Plan is comprised of a base salary program and an incentive compensation program (ICP); and

WHEREAS, the Finance Board has reviewed and considered recommendations concerning the ICP made in the report of the FHLBank System Task Force on Financial Performance Targets report, submitted to the Finance Board on February 24, 1995; and

WHEREAS, the Finance Board has reviewed and considered criteria and targets determined by each FHLBank board of directors for their respective FHLBank submitted recently to the Finance Board.

NOW, THEREFORE, BE IT RESOLVED, that the Plan shall be amended to reflect the following changes in regard to the ICP component for 1995:

1. A Community Investment Program (ICI') target will be included for each individual FHLBank defined as a percentage based on average CIP advances outstanding in relationship to the average capital of each FHLBank for 1995, and this shall be 33.34 percent;
2. The CIP component will determine 50 percent of the total value of the ICI? award for each participating FHLBank President;
3. That portion of an ICP award based on the CIP criteria shall be based upon an "Achievement Level" from no less than 100 percent up to 150 percent, calculated in accordance with the attached CIP Incentive Payout Levels & Award Scale.

4. ICP targets for any remaining criteria, as previously submitted by the FHLBanks to the Finance Board, are approved;
5. Each FHLBank's board of directors is authorized to revise the values assigned to the remaining criteria so that the total value of the remaining criteria will determine 50 percent of the total value of the ICP award; and

FURTHER RESOLVED, that the maximum ICP award shall remain limited to 37.5 percent of a FHLBank President's 1995 base salary, and ICP awards shall be calculated as provided in the Plan, with the exception of the CIP award portion, discussed above; and

FURTHER RESOLVED, that the amendments, approved herein, shall establish the basis for any 1995 incentive award recommendation for a FHLBank President, and that any compensation for the President, beyond that approved herein, whether direct or indirect, or whether payable during the current period or in future periods, shall be subject to prior written approval by the Finance Board.

By the Federal Housing Finance Board

A handwritten signature in black ink, appearing to read "Bruce A. Morrison". The signature is stylized with a large, sweeping initial "B" and "M".

Bruce A. Morrison
chairman