

FEDERAL HOUSING FINANCE BOARD

BOARD OF DIRECTORS MEETING

Wednesday, January 25, 2006

10:00 a.m.

1625 Eye Street, N.W.
Washington, D.C. 20006

MILLER REPORTING CO., INC.
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MEMBERS PRESENT

RONALD ROSENFELD, Chairman
FRANZ LEICHTER, Board member, by telephone
ALICIA CASTANEDA, Board member
BRIAN MONTGOMERY, Board member
ALLAN MENDELOWITZ, Board member, by telephone

STAFF PRESENT:

MS. SHELIA WILLIS, Secretary
MR. BOSLAND
MR. JONES
MR. MORTON
MR. GREEN
MR. MEEKS
MR. KENNEDY
MR. CROSS
MR. POWERS
MS. SWEENEY
MS. MURADIAN
MR. JENNINGS

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P R O C E E D I N G S

CHAIRMAN ROSENFELD: Good morning, everyone. I call this meeting of the Federal Housing Finance Board to order. Today we will have open session only with no closed session. We have two items to discuss.

The first agenda item for consideration is a resolution reappointing Mr. Terry Smith, president of the Federal Home Loan Bank of Dallas to the board of directors of the Office of Finance.

Who will be making the staff presentation?

MS. SWEENEY: I will, Mr. Chairman, Pat Sweeney.

CHAIRMAN ROSENFELD: Thank you, Pat, go ahead.

MS. SWEENEY: This actually is the reappointment of Terry Smith, president of the Federal Home Loan Bank of Dallas, to the board of directors of the Office of Finance for a three-year term that would expire, then, on March 31, 2009.

Terry Smith was first appointed to the board in 2003, and he'll complete his term this

March 31st. Mr. Smith is the current vice-chair of the board. There are two other board members. The chair is Parker Harrell, and the second board member is David Hehman.

The Finance Board rules specify that the Office of Finance board--board member shall serve staggered three-year terms. Any appointment to fill a vacancy shall only be for the remainder of that term, and a member of the Office of Finance board of directors is authorized to continue to serve on the board until the Finance Board appoints a successor.

Beyond these rules, the Finance Board has no additional guidelines concerning the selection or reappointment of an FHL bank president to the board.

In this respect, the Finance Board's rules do not--do not prohibit any member of the board from serving consecutive terms. And there is a precedent, in fact. In 1993 Michael Jessee was reappointed, and in 2002 James Roy was reappointed.

This reappointment of Mr. Smith will provide continuity to the board of directors as the Office of Finance prepares to resume issuance of the

combined financial reports, once the twelve banks have audited financial statements.

In addition, the Office of Finance is in the planning stages of replacing its two major information technology systems that deal with issuing and servicing consolidated obligations.

Mr. Smith is most conversant with information technology issues and his expertise will be valuable to the Office of Finance as--as the renovation of its information technology systems unfold.

With that in mind, I'd ask that this action be.

CHAIRMAN ROSENFELD: Thank you very much. Is there any discussion from the board?

[No response.]

CHAIRMAN ROSENFELD: If there's nothing else, I would accept a motion to approve the resolution.

DIRECTOR LEICHTER: I so move.

CHAIRMAN ROSENFELD: Thank you, Franz. Any second?

DIRECTOR CASTANEDA: I second.

CHAIRMAN ROSENFELD: Will the secretary please call the roll?

MS. WILLIS: On the item before the board, Director Leichter, how do you vote?

DIRECTOR LEICHTER: Yes.

MS. WILLIS: Director Castaneda?

DIRECTOR CASTANEDA: Yes.

MS. WILLIS: Director Mendelowitz?

DIRECTOR MENDELOWITZ: Yes.

MS. WILLIS: Director Montgomery?

DIRECTOR MONTGOMERY: Yes.

MS. WILLIS: Chairman Rosenfeld?

CHAIRMAN ROSENFELD: Yes.

The motion is adopted.

Our next agenda item for consideration is a proposed amendment to the Capital Structure Plan of the Federal Home Loan Bank of Atlanta.

Who will be making the presentation?

MS. MURADIAN: I will, Christine Muradian.

MR. CROSS: Christine Muradian and Tom Jennings.

MS. MURADIAN: The Federal Home Loan Bank of Atlanta is requesting that the Finance Board approve amendments to its Capital Structure Plan. The proposed amendments are largely technical in nature and would not alter the fundamental structure of the plan or the way the bank has been operating under its plan.

No changes are proposed to the all class-B stock structure or to the stock purchase requirements previously approved by the Finance Board.

The proposed amendments serve to add clarity and precision to the plan. Several new definitions have been added, and transition-related provisions have been updated.

The proposed amendments comply with all statutory and regulatory requirements and present no safety and soundness concerns.

As such, we recommend approval of the proposed amendments.

CHAIRMAN ROSENFELD: Thank you very much. Any discussion from the board?

[No response.]

CHAIRMAN ROSENFELD: If there's nothing else, I'll accept a motion to approve the resolution.

Will the secretary please call the roll?

MS. WILLIS: On the item before the board, Director Leichter, how do you vote?

DIRECTOR LEICHTER: Yes.

MS. WILLIS: Director Castaneda?

CHAIRMAN ROSENFELD: Excuse me, I didn't make a--

DIRECTOR MONTGOMERY: So moved.

CHAIRMAN ROSENFELD: I will accept a motion to move the resolution.

DIRECTORS CASTANEDA and MONTGOMERY: So moved.

MS. WILLIS: On the item before the board, Director Leichter, how do you vote?

DIRECTOR LEICHTER: Yes.

MS. WILLIS: Director Castaneda?

DIRECTOR CASTANEDA: Yes.

MS. WILLIS: Director Mendelowitz?

DIRECTOR MENDELOWITZ: Yes.

MS. WILLIS: Director Montgomery?

DIRECTOR MONTGOMERY: I'll second it and
vote for it.

MS. WILLIS: Chairman Rosenfeld?

CHAIRMAN ROSENFELD: Yes.

The motion is adopted.

That ends the meeting. Thank you very
much.

[Whereupon, at 10:05 a.m., the meeting was
adjourned.]