



NEWS

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Federal Housing Finance Board Finalizes A Process For Appointing Public Interest Directors

The Board of Directors of the Federal Housing Finance Board (Finance Board) today voted to approve a final rule establishing procedures for the selection of appointed directors to the boards of the Federal Home Loan Banks (Banks).

Pursuant to the final rule, the Banks are responsible for identifying potential candidates, conducting a preliminary assessment of the candidates' eligibility and qualifications, and submitting a list of nominees to the Finance Board for its consideration. The Banks are allowed to nominate up to two individuals per vacancy. The nominations must be accompanied by information demonstrating the qualifications of each nominee to serve on the board of a Bank. The Board of Directors of the Finance Board will review each nominee prior to filling vacancies by a vote of the Board. If the Finance Board declines to fill any vacancy from among the nominations submitted by the Bank, the Bank may be required to submit additional nominees to the Finance Board for its consideration.

The [final rule](#) is effective immediately. The interim final rule was published in the Federal Register on January 24, 2007 and was open for comment for 30 days after publication.

Also today, the Board of Directors voted to approve for public comment the publication of a [proposed rule](#) that would establish the permissible financial interests that may be held by an appointed director. The proposal also includes provisions relating to acceptable contractual relationships between an appointed director and a member of the Bank. The proposed rule will be published in the Federal Register and will be open for public comment for 45 days following the date of publication.

Finance Board Chairman Ronald A. Rosenfeld stated, "As a result of the two Board actions taken today, the governance at the Banks will be enhanced by creating a selection process and ethical standards that will be conducive to attracting highly qualified candidates for appointive directorships at the Federal Home Loan Banks."

The Federal Housing Finance Board is an independent agency in the executive branch that oversees the safety, soundness, and mission of the 12 regional Federal Home Loan Banks. The Banks are government-sponsored enterprises created in 1932 to provide low-cost funding for housing finance. They have more than 8,100 financial institutions as members, including commercial banks, savings and loans, insurance companies and federally insured credit unions. More information can be found at <http://www.FHFB.gov>

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