



October 4, 2007

Federal Housing Finance Board  
1625 Eye Street NW  
Washington DC 20006

Attn: Public Comments

Re: Federal Housing Finance Board. Proposed Collection; Comment Request:  
Federal Home Loan Bank Directors. 2007-N-11.

Ladies and Gentlemen:

The Federal Home Loan Bank of Topeka is pleased to submit comments on the forms proposed by the Finance Board to obtain information from FHLBank directors and prospective directors published in the *Federal Register* on August 8, 2007.

We believe the forms solicit useful information to determine the eligibility of elective and appointive directors and the qualifications of nominees for appointive directorships, and they are generally consistent with applicable laws and regulations. Nevertheless, we noticed some technical points that should be addressed to enhance two of the forms' usefulness and accuracy.

Federal Home Loan Bank Appointive Director Application Form

1. Both the current and proposed forms omit the statutory requirement that an appointive director may not serve as an officer of any FHLBank (12 U.S.C. 1427 (a)). We recommend that you add this requirement to the "Statutory Eligibility Requirements" section.

2. We recommend that the last bullet under "Conflicts of Interest" on page 4 be revised by adding the underlined words:

- Contractual rights to the payment of money if the amount due to you or your spouse is less than 10 percent of your adjusted gross income for a calendar year.

This is to comply with 12 CFR 915.10 (e)(6):

(6) *Attribution*. The Finance Board will attribute to the appointive director any debt or equity securities owned by the director's spouse or minor children and any contractual relationships between a member and the director's spouse for purposes of determining compliance with this section.

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3. The words crossed off below from the definition of "indirect" on page 4 are not contained in the eligibility requirements for appointive directors in 12 CFR 915.10 or elsewhere and, therefore, should be deleted:

~~"Indirect" financial interest includes interests of your spouse or minor child(ren), and interests held through a trust or similar arrangement that are attributed to you.~~

Although trusts are referenced in 12 CFR 915.11 (f)(3)(iii), Section 915.11 describes interests that a director must disclose to the Board in connection with any matter to be considered by the Board. Section 915.11 does not describe interests that would disqualify a person from serving as an appointive director. As stated in the notice of the proposed rule on Financial Interests of Appointive Directors:

"The Finance Board emphasizes that because it is not proposing to amend the broad definition of 'financial interests' now contained in § 915.11(f)(2), the proposed rule would not change the extent to, or the manner in which an individual Bank's disclosure and recusal policies must address the types of investments or activities identified in proposed § 915.10(f), even if the investments themselves would no longer be deemed to disqualify an individual from serving as an appointive director." "Financial Interests of Appointive Directors," 72 Fed. Register 15627, 15629 (April 2, 2007) (emphasis supplied)

On the other hand, financial interests that would disqualify a person from serving as an appointive director are described in 12 CFR 915.10 (e). The attribution rules at 12 CFR 915.10 (e)(6) (quoted in comment 2 above) do not mention trusts. Because it concerns eligibility to serve as an appointive director, the Appointive Director Application Form needs to be consistent with these rules rather than 12 CFR 915.11.

Further, we note that "financial interest" is defined in 12 CFR 915.11 (f)(2) but not in 12 CFR 915.10, and "direct" and "indirect" financial interests referenced in that definition are not defined in either section. This would not prevent those definitions and terms from being used in the Appointive Director Application Form as long as the definitions are consistent with (and do not exceed) the requirements of 12 CFR 915.10.

#### Federal Home Loan Bank Appointive Director Annual Certification Form

We commend the Finance Board staff for providing this short form that summarizes the appointive director eligibility requirements and allows the directors simply to certify that they continue to meet the requirements, or describe any changes in the director's situation that would change any of the responses previously submitted.

The usefulness of this form would be enhanced, without increasing its length significantly, by adding a bullet above the last bullet on the first page which would summarize the important attribution rules of 12 CFR 915.10(e)(6) as follows:

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- For purposes of the above requirements, any debt or equity securities owned by your spouse or minor children, and any contractual relationships between a member of the Bank you serve and your spouse, will be attributed to you.

We appreciate the opportunity to comment on the proposed collection. If you have any questions or would like to discuss any of our comments, please call me at (785) 438-6054.

Sincerely,



Patrick C. Doran  
Senior Vice President, General  
Counsel and Corporate Secretary