



July 24, 2003

William P. Morrissey
Chair, Federal Home Loan Bank of Boston
Central Bank
1192 Boylston Street
Chestnut Hill, MA 02467

Dear Mr. Morrissey:

One year ago, President Bush's Administration called on government-sponsored enterprises, including all Federal Home Loan Banks ("FHLBanks"), to voluntarily register with the Securities and Exchange Commission under the Securities Exchange Act of 1934.

This important reform will provide better information to financial markets and will enable FHLBanks to become role models for corporate transparency rather than exceptions to our nation's standards for disclosure and investor protection.

During the past twelve months, FHLBanks have worked with the Federal Housing Finance Board, the SEC, and the Administration on this matter. These discussions have better informed all parties about the characteristics of FHLBanks and the requirements and implications of voluntary Exchange Act registration.

In early June, the SEC staff informed representatives of five FHLBanks that it does not object to current accounting treatment on several key issues. Further, the Finance Board would retain jurisdiction over combined reports and review them in consultation with SEC staff. This closely tracks the disclosure regulation model proposed by some FHLBanks.

With these critical issues resolved, it has been determined that compliance with the Exchange Act, as interpreted and enforced by the SEC, will not have an undue effect on the operations, structure, or services and products offered by the Banks. Therefore, no alternative means of enhancing the periodic reports of the FHLBanks is warranted.

Events of recent months serve to remind all who own, operate, or regulate government-sponsored enterprises of the importance of providing periodic financial and governance reports on terms familiar to investors. We now ask that you accept Exchange Act compliance and SEC jurisdiction as part of the responsibility flowing from your public endowment and ready access to agency debt markets.

We call on each FHLBank to now act without delay to engage with the SEC in the process of voluntary registration of a class of equity securities under the Securities Exchange Act of 1934 to bring your Bank's quarterly and annual reports into compliance with the standard for public issuers of securities.

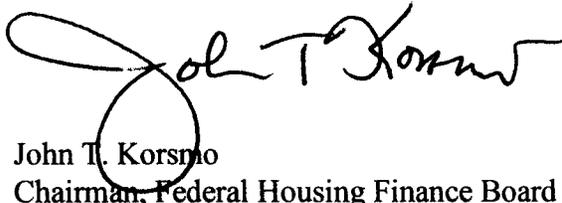
Sincerely,



John W. Snow
Secretary of the Treasury



Mel Martinez
Secretary of Housing and Urban Development



John T. Korsmo
Chairman, Federal Housing Finance Board

cc: Vice Chair, Federal Home Loan Bank of Boston
President, Federal Home Loan Bank of Boston