



Federal Home Loan Bank of Pittsburgh

November 26, 2002

The Honorable John T. Korsmo
Chairman
Federal Housing Finance Board
1777 F Street, N.W.
Washington, D.C. 20006

Dear Chairman Korsmo:

The Board of Directors of the Federal Home Loan Bank of Pittsburgh ("Board") fully supports the concept of the FHLBanks issuing financial disclosures that are fully transparent to their members and the investors in their debt. The Board also supports the notion of the FHLBanks becoming a role model for all Government Sponsored Enterprises ("GSE") in the area of financial disclosures.

However, the Board does not believe that it is in the best interest of their members or of the investing public that "being the same" is more important than the principle of providing "better disclosures" as was advocated by Treasury Under Secretary Peter Fisher at the recent Directors' Conference. The Federal Housing Finance Board, as the safety and soundness regulator, is the most appropriate regulator of the disclosures issued by the FHLBanks. The Finance Board has more knowledge of what information needs to be disclosed, how it needs to be disclosed, and when it needs to be disclosed. This knowledge is critical to establishing and enforcing a disclosure regime that ensures that the best and most appropriate disclosures are made to the investors in the securities issued by the FHLBanks.

The FHLBanks are unique organizations. They have a cooperative corporate structure and are jointly and severally obligated on the debt issued on behalf of any FHLBank. Over the years, Congress has granted the FHLBanks special benefits and obligations, which are not possessed by the 15,000 state chartered corporations currently under the jurisdiction of the Securities and Exchange Commission ("SEC"). In order for the FHLBanks to operate as they do today and to be regulated by the SEC, the SEC will be forced to issue such a large array of accommodations that the goal of "being the same" as all other corporations will be lost.

The Board respectfully requests that the Finance Board continue to retain jurisdiction over the financial disclosures of the FHLBanks. Once the issue of proper jurisdiction is resolved, then we can direct our energy toward establishing a disclosure regime based on the 1934 Act tailored to the unique nature of the FHLBanks. The Pittsburgh Bank remains committed to working with the Finance Board to develop a disclosure regime that will serve as a role model for all GSEs.

Thank you for your consideration of our concerns regarding this important issue.

Sincerely,



John T. Connelly
Chairman of the Board