

address for the **FOR FURTHER INFORMATION CONTACT** section.

After consideration of all relevant material presented, including the committee's recommendation, the comments received in response to the October 1998 and August 1999 interim final rules, and other information, it is found that finalizing the interim final rule, without change, as published in the **Federal Register** (63 FR 54556, October 13, 1998) and the amended interim final rule, with a change, as published in the **Federal Register** (64 FR 45409, August 29, 1999) will tend to effectuate the declared policy of the Act.

List of Subjects in 7 CFR Part 966

Marketing agreements, Reporting and recordkeeping requirements, Tomatoes.

PART 966—TOMATOES GROWN IN FLORIDA

1. The authority citation for 7 CFR part 966 continues to read as follows:

Authority: 7 U.S.C. 601–674.

Accordingly, the interim final rule which was published at 63 FR 54556 on October 13, 1998, and the amended interim final rule amending 7 CFR part 966 which was published at 64 FR 45409 on August 20, 1999, are adopted as a final rule with the following change:

2. In § 966.140, the words “(Form FV–418)” are removed.

Dated: February 14, 2000.

Eric M. Forman,

Acting Deputy Administrator, Fruit and Vegetable Programs.

[FR Doc. 00–3875 Filed 2–17–00; 8:45 am]

BILLING CODE 3410–02–P

FEDERAL HOUSING FINANCE BOARD

12 CFR Chapter IX

[No. 2000–02]

RIN 3069–AA87

Reorganization of Federal Housing Finance Board Regulations

AGENCY: Federal Housing Finance Board.

ACTION: Final rule.

SUMMARY: The Federal Housing Finance Board (Finance Board) is reorganizing and renumbering its regulations, deleting obsolete regulations and amending the renumbered regulations to achieve greater consistency in terminology and greater conformity with current stylistic conventions of the Code of Federal Regulations. The rule will

implement a more logical and efficient presentation of the regulations governing the Federal Home Loan Banks (Banks) and the Federal Home Loan Bank System (Bank System), in anticipation of the incorporation of new and amended regulations to implement the Federal Home Loan Bank Modernization Act of 1999.

EFFECTIVE DATE: This final rule is effective on February 18, 2000.

FOR FURTHER INFORMATION CONTACT:

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SUPPLEMENTARY INFORMATION:

I. Comparison of Proposed and Final Rules

On September 27, 1999, the Finance Board published a proposed rule to reorganize and renumber the agency's existing regulations, delete obsolete regulations and make certain technical amendments to the renumbered regulations. *See* 64 FR 52148 (Sept. 27, 1999). The amendments set forth in the proposed rule were intended to implement a more logical and efficient presentation of the rules governing the Banks and Bank System, as well as to achieve greater consistency in terminology and greater conformity with current stylistic conventions of the Code of Federal Regulations. The proposed rule was published with a 90-day comment period that ended on December 27, 1999. The Finance Board received no comment letters.

Simultaneously with the proposed reorganization rule, the Finance Board published its proposed Financial Management and Mission Achievement (FMMA) rule, under which extensive substantive additions and amendments to the Finance Board's regulations were proposed. *See* 64 FR 52163 (Sept. 27, 1999). The proposed reorganization rule, although itself making primarily only technical and organizational changes to the existing regulations, was developed with the assumption that it would be finalized concurrently with the FMMA rule. As such, it was expected that, when the reorganization rule was finalized: (1) The finalized FMMA provisions would be contained within the new organizational framework; and (2) outmoded existing regulations would be either deleted, or updated through amendments contained in FMMA to fit logically within the new framework.

However, on November 17, 1999, in response to the recent enactment of the

Federal Home Loan Bank System Modernization Act of 1999¹ (Modernization Act), Public Law 106–102, Title VI (1999), the Finance Board withdrew the proposed FMMA rule. *See* 64 FR 66115 (Nov. 24, 1999). Although the Finance Board expects in the coming year to promulgate separately modified versions of many of the regulations proposed in the FMMA rule, these new regulations and substantive amendments to existing regulations are not being finalized concurrently with this final reorganization rule as was originally anticipated. As a result, in this final rule, it is necessary for the Finance Board to carry over certain existing regulations that would have been superceded by FMMA—most notably on investments and deposits—until the agency promulgates new regulations to govern these Bank activities. Although these largely outmoded regulations do not fit perfectly within the regulatory structure contemplated by the reorganization, they have been placed in the most logical parts of 12 CFR chapter IX pending their anticipated deletion later in 2000. For areas in which the FMMA rule would have created new regulations, and in which the Finance Board still intends to promulgate new regulations (e.g., capital requirements and regulations governing member mortgage assets), appropriate part numbers have been reserved in order to make clear where these regulations will fit into the organizational structure of chapter IX as they are adopted.

Since the publication of the proposed reorganization rule, the Finance Board has promulgated two final rules, *see* 64 FR 55125 (Oct. 12, 1999) (allocation of joint and several liability on consolidated obligations among the Banks); 64 FR 61016 (Nov. 9, 1999) (availability of unpublished information), and one interim final rule, *see* 64 FR 71275 (Dec. 21, 1999) (devolution of corporate governance authorities as required by the Modernization Act) that affected text in the Code of Federal Regulations (CFR). The final reorganization rule accounts for these CFR text changes and places new material logically within the organizational structure.

Finally, although the overall structure of the regulations under the final rule will be identical to that which was proposed, certain part numbers appear differently in the final rule. In renumbering the parts, the Finance Board has attempted to group together topics within each subchapter and to

¹ The Modernization Act is Title VI of the larger Gramm-Leach-Bliley Act. Pub. L. 106–102 (1999).

leave unused part numbers at the end of each topic sequence so that any future regulations (including those that are not now foreseen) may be placed logically within the appropriate subchapter of chapter IX without the necessity of further renumbering of existing parts.

So that new regulations implementing various statutory changes made by the Modernization Act may be promulgated quickly and efficiently within the new structure, the final reorganization rule is effective immediately upon publication in the **Federal Register**.

II. Analysis of the Final Rule

This final rule deletes the existing subchapter headings for the Finance Board's regulations and establishes an entirely new set of subchapter headings. Within this structure, existing parts and sections have been re-ordered into logical subject-matter groupings under

the subchapter headings. Generally, existing parts remain intact and have simply been given a new part number, with each section and paragraph retaining the same designation (*e.g.*, § 935.9(a) is now § 950.9(a); § 933.11(b)(3)(i)(A) is now § 925.11(b)(3)(i)(A), etc.). In some cases, however, longer sections covering more complex subject matter have been redesignated as parts in order to allow the material to be presented more clearly without the need for excessive sub-paragraph designations (*e.g.* the material that previously appeared in §§ 932.16 and .17 is now set forth as part 918).

New part 900 has been created to contain definitions of terms that are used throughout the regulations (*i.e.*, Act, Bank, Board of Directors, consolidated obligations, Finance Board

and member). In conjunction with this, the definitions of these terms and synonymous terms have been removed from the definitional sections of the individual parts. It is anticipated that more terms may eventually be consolidated into part 900 as regulations are added, or as existing regulations undergo substantive revision in the future. Other terms requiring definition that are not used throughout the regulations would continue to be defined in the definitional provisions of the parts in which they are used.

The following derivation table shows the origin of the material that is contained in each of the proposed newly designated parts (or sections, as appropriate). "Future rulemaking" is shown where a part or section has been reserved in anticipation of a future rulemaking.

| New part or section | Subject matter | Old part or section |
|--|---|---|
| Subchapter A—General Definitions | | |
| 900 | General definitions | Various |
| Subchapter B—Federal Housing Finance Board Organization and Operations | | |
| 905 | Description of organization and functions | Part 900 |
| 906 | Operations | Part 902 |
| 907 | Procedures | Part 903 |
| 910 | Freedom of Information Act regulation | Part 904 |
| 911 | Availability of unpublished information | Part 905 |
| 912 | Information regarding meetings of the Board of Directors of the Federal Housing Finance Board. | Part 906 |
| 913 | Privacy Act procedures | Part 909 |
| Subchapter C—Governance and Management of the Federal Home Loan Banks | | |
| 915 | Bank director eligibility, appointment and elections | § 932.1–932.15 |
| 917 | Powers and responsibilities of Bank directors and senior management [§§ 917.1–.5, .9 are reserved]. | §§ 934.7, 934.16, 934.17 and future rulemaking |
| 918 | Bank director compensation and expenses | §§ 932.16–932.17 |
| Subchapter D—Federal Home Loan Bank Membership | | |
| 925 | Members of the Banks | Part 933 |
| Subchapter E—Federal Home Loan Bank Risk Management and Capital Standards | | |
| 930 | [Reserved] | Future rulemaking |
| Subchapter F—Federal Home Loan Bank Mission | | |
| 940 | [Reserved] | Future rulemaking |
| 944 | Community support requirements | Part 946 |
| Subchapter G—Federal Home Loan Bank Assets and Off-Balance Sheet Items | | |
| 950 | Advances | Part 935 |
| 951 | Affordable Housing Program | Part 960 |
| 952 | Community Investment Cash Advance Programs | Part 970 |
| 955 | Member Mortgage Assets [Reserved] | Future rulemaking |
| 956 | Investments | §§ 934.1, 934.2, 934.13 (to be superceded by a future rulemaking) |
| 960 | Off-balance sheet items [Reserved] | Future rulemaking |
| 961 | Standby letters of credit | Part 938 |

| New part or section | Subject matter | Old part or section |
|---|---|---|
| Subchapter H—Federal Home Loan Bank Liabilities | | |
| 965 | Sources of funds | Future rulemaking |
| 966 | Consolidated obligations | Part 910 |
| 969 | Deposits | §§ 934.4–934.5 (to be superceded by a future rule-making) |
| Subchapter I—Miscellaneous Federal Home Loan Bank Operations and Authorities | | |
| 975 | Collection, settlement, and processing of payment instruments | Part 943 |
| 977 | Miscellaneous Bank authorities | §§ 934.3 (1st sentence), 934.6 |
| 978 | Bank requests for information | §§ 934.15 |
| Subchapter J—New Federal Home Loan Bank Activities | | |
| 980 | [Reserved] | Future rulemaking |
| Subchapter K—Office of Finance | | |
| 985 | Operations of the Office of Finance | Part 941 (to be superceded by a future rulemaking) |
| 987 | Book-entry procedure for consolidated obligations | Part 912 |
| 989 | Financial statements of the Banks | Part 937 |
| Subchapter L—Non-Bank System Entities | | |
| 995 | Financing Corporation operations | Part 950 |
| 996 | Authority for Bank assistance of the Resolution Funding Corporation | Part 955 |
| 997 | Resolution Funding Corporation Obligations of the Banks [Reserved] | Future rulemaking |

Although the amendments made by the rule are otherwise entirely technical and organizational, the final rule deletes several regulatory provisions that either are now entirely obsolete, or involve the

Finance Board in Bank governance and are therefore inappropriate since the enactment of the Modernization Act. While not literally obsolete, the regulations falling into the latter

category have been essentially obsolete as a practical matter for several years or more. The following chart enumerates the sections that have been deleted:

| Deleted | Subject matter | Reason for deletion |
|------------------------------|---|--|
| Part 931 | Definitions | Part 900 now contains general definitions. |
| § 934.3 (2nd sentence) | Transfer of funds between Banks | Discretion devolved to Banks. |
| § 934.8 | Surety bonds | Discretion devolved to Banks. |
| § 934.9 | Insurance | Discretion devolved to Banks. |
| § 934.10 | Safekeeping of accounts | Obsolete. |
| § 934.11 | Securities held in trust or as collateral | Discretion devolved to Banks. |
| § 934.12 | Accounting | Discretion devolved to Banks. |
| § 934.14 | OTS assessments | Unnecessary. |

With the renumbering of the Finance Board's regulations, reflected in the charts above, all cross-references to old part or section numbers within the Finance Board's regulations must also be changed. As such, much of the amendatory instruction set forth below addresses the revision of the hundreds of cross-references in the regulations to reflect accurately the new part and section numbers.

In order to conform to the current stylistic conventions used in the Code of Federal Regulations, the rule also removes all paragraph designations from alphabetical definition sections of the individual parts, where feasible.

All remaining changes merely correct typographical errors that came to the

attention of the Finance Board during its review of the regulations.

III. Regulatory Flexibility Act

This is a technical rule that reorganizes the Finance Board's regulations without substantive change. The rule will not impose any regulatory requirements on small entities. Thus, in accordance with the provisions of the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.*, the Finance Board hereby certifies that this final rule will not have a significant economic impact on a substantial number of small entities. 5 U.S.C. 605(b).

IV. Paperwork Reduction Act

The final rule does not contain any collections of information pursuant to the Paperwork Reduction Act of 1995. See 44 U.S.C. 3501 *et seq.* Consequently, the Finance Board has not submitted any information to the Office of Management and Budget for review.

List of Subjects in 12 CFR Parts 900 Through 997

Credit, Federal home loan banks, Reporting and recordkeeping requirements.

Accordingly, under the authority of section 2B(a) of the Federal Home Loan Bank Act, 12 U.S.C. 1422b(a), chapter IX of title 12 of the Code of Federal Regulations is amended as follows:

1. The headings of subchapters A through F are revised to read as set forth below.

2. Subchapters G through L are established as set forth below.

3. Parts 908, 914, 916, 918, 920 and 924 are removed from subchapter A.

4. Part 910 is redesignated as part 966 and transferred from subchapter A to subchapter H.

5. Part 912 is redesignated as part 987 and transferred from subchapter A to subchapter K.

6. Parts 900, 902, 903, 904, 905, 906, 907, 910, 911, 912 and 913, respectively, and transferred from subchapter A to subchapter B.

7. Parts 931, 934, 939, 940, 942 and 944 are removed from subchapter B.

8. Part 932 is redesignated as part 915 and transferred from subchapter B to subchapter C.

9. Part 933 is redesignated as part 925 and transferred from subchapter B to subchapter D.

10. Part 950 is redesignated as part 995 and transferred from subchapter C to subchapter L.

11. Part 935 is redesignated as part 950 and transferred from subchapter B to subchapter G.

12. Part 936 is redesignated as part 944 and transferred from subchapter B to subchapter F.

13. Part 937 is redesignated as part 989 and transferred from subchapter B to subchapter K.

14. Part 938 is redesignated as part 961 and transferred from subchapter B to subchapter G.

15. Part 941 is redesignated as part 985 and transferred from subchapter B to subchapter K.

16. Part 943 is redesignated as part 975 and transferred from subchapter B to subchapter I.

17. Part 955 is redesignated as part 996 and transferred from subchapter D to subchapter L.

18. Part 960 is redesignated as part 951 and transferred from subchapter E to subchapter G.

19. Part 970 is redesignated as part 952 and transferred from subchapter F to subchapter G.

20. The headings of newly designated parts 915, 966, 987, 995 and 996 are revised to read as set forth below.

21. The table of contents for chapter IX is revised to read as follows:

CHAPTER IX—Federal Housing Finance Board

Subchapter A—General Definitions

Part 900—General definitions

Subchapter B—Federal Housing Finance Board Organization and Operations

- 905 Description of organization and functions
- 906 Operations
- 907 Procedures
- 910 Freedom of Information Act regulation
- 911 Availability of unpublished information
- 912 Information regarding meetings of the Board of Directors of the Federal Housing Finance Board
- 913 Privacy Act procedures

Subchapter C—Governance and Management of the Federal Home Loan Banks

- 915 Bank director eligibility, appointment and elections
- 917 Powers and responsibilities of Bank boards of directors and senior management
- 918 Bank director compensation and expenses

Subchapter D—Federal Home Loan Bank Membership

- 925 Members of the Banks

Subchapter E—Federal Home Loan Bank Risk Management and Capital Standards

- 930 [Reserved]

Subchapter F—Federal Home Loan Bank Mission

- 940 [Reserved]
- 944 Community support requirements

Subchapter G—Federal Home Loan Bank Assets and Off-Balance Sheet Items

- 950 Advances
- 951 Affordable Housing Program
- 952 Community Investment Cash Advance Programs
- 955 Member Mortgage Assets [Reserved]
- 956 Investments
- 960 Off-balance sheet items [Reserved]
- 961 Standby letters of credit

Subchapter H—Federal Home Loan Bank Liabilities

- 965 Sources of funds [Reserved]
- 966 Consolidated obligations
- 969 Deposits

Subchapter I—Miscellaneous Federal Home Loan Bank Operations and Authorities

- 975 Collection, settlement, and processing of payment instruments
- 977 Miscellaneous Bank authorities
- 978 Bank requests for information

Subchapter J—New Federal Home Loan Bank Activities

- 980 [Reserved]

Subchapter K—Office of Finance

- 985 Operations of the Office of Finance
- 987 Book-entry procedure for consolidated obligations
- 989 Financial statements of the Banks

Subchapter L—Non-Bank System Entities

- 995 Financing Corporation operations
- 996 Authority for Bank assistance of the Resolution Funding Corporation
- 997 Resolution Funding Corporation obligations of the Banks [Reserved]

22. A new part 900 is added to subchapter A to read as follows:

PART 900—GENERAL DEFINITIONS

Authority: 12 U.S.C. 1422b(a).

§ 900.1 Definitions applying to all regulations.

As used in this chapter:

Act means the Federal Home Loan Bank Act, as amended (12 U.S.C. 1421 through 1449).

Bank means a Federal Home Loan Bank established under the authority of the Act.

Board of Directors means the Board of Directors of the Federal Housing Finance Board, unless otherwise indicated.

Consolidated obligations means bonds or notes issued on behalf of the Banks under part 966 of this chapter.

Finance Board means the agency established by the Act as the Federal Housing Finance Board.

Member means an institution that has been approved for membership in a Bank and has purchased capital stock in the Bank in accordance with §§ 925.20 or 925.25 of this chapter.

PART 905—DESCRIPTION OF ORGANIZATION AND FUNCTIONS

23. The authority citation for newly designated part 905 continues to read as follows:

Authority: 5 U.S.C. 552, 12 U.S.C. 1422b(a), 1423.

24. Amend newly designated § 905.1 by removing the definitions of the terms “Bank”; “Bank Act” and “Finance Board”.

25. Amend newly designated § 905.2 by:

a. Removing from paragraph (a) the words “Federal Home Loan Bank System” and adding, in their place, the words “Bank System”;

b. Removing from paragraph (a) the words “Federal Home Loan Banks” and adding, in their place, the word “Banks”; and

c. Removing from paragraph (c) the words “Bank Act” and adding, in their place, the word “Act”.

26. Amend newly designated § 905.4 by:

a. Removing from paragraph (a) the words “Bank Act” and adding, in their place, the word “Act”;

b. Removing from paragraph (b) the words “Federal Home Loan Bank

consolidated bonds or notes” and adding, in their place, the words “consolidated obligations”.

27. Amend newly designated § 905.14(d) by removing the word “System” and adding, in its place, the words “Bank System”.

28. Amend newly designated § 905.30 by:

a. Removing the words “Office of Finance Board of Directors”, wherever they appear, and adding, in their place, the words “Office of Finance board of directors”; and

b. Removing the words “Federal Home Loan Bank consolidated debentures, bonds or notes” and adding, in their place, the words “consolidated obligations”.

29. Amend newly designated § 905.51 by removing the reference to “§ 900.3” and adding, in its place, a reference to “§ 905.3”.

30. Amend newly designated § 905.52 by removing the reference to “§ 900.3”

and adding, in its place, a reference to “§ 905.3”.

PART 906—OPERATIONS

31. The authority citation for newly designated part 906 continues to read as follows:

Authority: 12 U.S.C. 1422b and 1438(b).

32. Amend newly designated § 906.1 by removing the definitions of the terms “Bank” and “Finance Board”.

33. Amend newly designated § 906.3(c) by removing the words “the Housing Finance Directorate of”.

PART 907—PROCEDURES

34. The authority citation for newly designated part 907 continues to read as follows:

Authority: 12 U.S.C. 1422b(a)(1).

35. Amend newly designated § 907.1 by:

a. Removing paragraph designations (a) through (u); and

b. Removing the definitions of the terms “Bank”, “Bank Act”, “Finance Board”, “Member” and “Office of Finance”.

36. Amend newly designated part 907 by removing the words “Bank Act” and adding, in their place, the word “Act” in the following places:

a. Section 907.1 (definitions of *Approval, Case-by-Case Determination, No-Action Letter and Regulatory Interpretation*);

b. Section 907.2(a);

c. Section 907.3(a);

d. Section 907.4(a);

e. Section 907.5(a);

f. Section 907.6(c)(3), (c)(6) and (c)(8);

g. Section 907.8(a); and

h. Section 907.10(b)(3) and (b)(8).

36. In the table below, for each newly designated section indicated in the left column, remove the cross-reference indicated in the middle column and, in its place, add the cross-reference indicated in the right column:

| Section | Remove | Add |
|-------------------------------------|------------------------|------------------|
| 907.2(b) | § 903.6 | § 907.6 |
| 907.3(a) | § 903.6 | § 907.6 |
| 907.4(b) | § 903.6 | § 907.6 |
| 907.5(b) | § 903.6 | § 907.6 |
| 907.8(a) | § 903.10 | § 907.10 |
| 907.8(b) | § 903.11 | § 907.11 |
| 907.9(a) | § 903.10 | § 907.10 |
| 907.9(c) | 12 CFR 960.12(d) | 12 CFR 951.12(d) |
| 907.9(d) | 12 CFR 960.12(d) | 12 CFR 951.12(d) |
| 907.9(d) | § 903.11 | § 907.11 |
| 907.11(a)(2) | § 903.10(b) | § 907.10(b) |
| 907.11(a)(4) | § 903.10(d) | § 907.10(d) |
| 907.11(a)(5) | § 903.13(b) | § 907.13(b) |
| 907.12(c) | § 903.10 | § 907.10 |
| 907.12(g) (introductory text) | § 903.10 | § 907.10 |
| 907.12(g)(3) | § 903.13(a)(1) | § 907.13(a)(1) |
| 907.12(g)(3) | § 903.13(a)(2) | § 907.13(a)(2) |
| 907.12(g)(4)(ii) | § 903.10(d) | § 907.10(d) |
| 907.12(g)(4)(ii) | § 903.11(a)(4) | § 907.11(a)(4) |
| 907.13(a)(2) | § 903.14 | § 907.14 |
| 907.13(c) | § 903.10 | § 907.10 |
| 907.13(c) | § 903.12(d) | § 907.12(d) |
| 907.14(d) | 12 CFR part 906 | 12 CFR part 912 |
| 907.14(e) | 12 CFR 906.6 | 12 CFR 912.6 |
| 907.14(g) | 12 CFR 906.5(c) | 12 CFR 912.5(c) |
| 907.15(c) | § 903.12(g) | § 907.12(g) |

PART 910—FREEDOM OF INFORMATION ACT REGULATION

38. The authority citation for newly designated part 910 continues to read as follows:

Authority: 5 U.S.C. 552; 52 FR 10012 (Mar. 27, 1987).

39. Amend newly designated § 910.1 by:

a. Removing paragraph designations (a) through (l); and

b. Removing the definition of the term “Finance Board”.

40. Amend newly designated § 910.2(a)(2) by removing the words “Federal Home Loan Bank Act” and adding, in their place, the word “Act”.

41. Amend newly designated part 910 by removing the words “Federal Home Loan Bank” and adding, in their place,

the word “Bank” in the following places:

a. Section 910.5(a)(7)(iv) and (a)(8); and

b. Section 910.6 (introductory text).

42. In the table below, for each newly designated section indicated in the left column, remove the cross-reference indicated in the middle column and, in its place, add the cross-reference indicated in the right column:

| Section | Remove | Add |
|-----------------------|------------------------------|------------------------|
| 910.2(a)(3) | 12 CFR part 909 | 12 CFR part 913 |
| 910.2(b)(1) | §§ 904.5 through 904.7 | §§ 910.5 through 910.7 |
| 910.2(b)(3) | § 904.9 | § 910.9 |
| 910.4(a) | § 904.9(f) | § 910.9(f) |
| 910.4(a) | § 904.3(a) | § 910.3(a) |
| 910.4(b) | § 904.8 | § 910.8 |
| 910.4(d)(1)(ii) | § 904.9(a)(4)(iv) | § 910.9(a)(4)(iv) |
| 910.4(e) | § 904.9 | § 910.9 |
| 910.8(a)(1) | § 904.4 | § 910.4 |
| 910.8(a)(2) | § 904.9(f) | § 910.9(f) |
| 910.9(b) | § 904.5 | § 910.5 |
| 910.9(c) | § 904.4 | § 910.4 |
| 910.9(f)(4)(ii) | § 904.4 | § 910.4 |

PART 911—AVAILABILITY OF UNPUBLISHED INFORMATION

43. The authority citation for newly designated part 911 continues to read as follows:

Authority: 5 U.S.C. 301; 12 U.S.C. 1422b(a)(1).

44. Amend newly designated § 911.1 by:

- a. Removing paragraph designations (a) through (d);
- b. Removing the definition of “Finance Board”; and

c. Arranging the remaining definitions alphabetically.

45. Amend newly designated part 911 by removing the words “Federal Home Loan Bank” and adding, in their place, the word “Bank” in the following places:

- a. Section 911.1 (defs. of *Unpublished information* (first sentence only) and *Supervised entity*);
- b. Section 911.3(a), (c)(1), (c)(3), (c)(4), (d) (heading), (d) (introductory text), (d)(2);

c. Section 911.5(e) (heading and first sentence); and

d. Section 911.6(a).

46. Amend newly designated § 911.1 (def. of *Unpublished information*) by removing the words “Federal Home Loan Bank Act” and adding, in their place, the word “Act”.

47. In the table below, for each newly designated section indicated in the left column, remove the cross-reference indicated in the middle column and, in its place, add the cross-reference indicated in the right column:

| Section | Remove | Add |
|---|--------------------------------|--------------------------|
| 911.1 (def. of <i>unpublished information</i>) | 12 CFR parts 904 and 909 | 12 CFR parts 910 and 913 |
| 911.9(a) | 12 CFR 904.9 | 12 CFR 910.9 |

PART 912—INFORMATION REGARDING MEETINGS OF THE BOARD OF DIRECTORS OF THE FEDERAL HOUSING FINANCE BOARD

48. The authority citation for newly designated part 912 continues to read as follows:

Authority: 5 U.S.C. 552b.

49. Amend newly designated § 912.1(a) by removing the words “Federal Housing Finance Board” and

adding, in their place, the words “Finance Board”.

50. Amend newly designated § 912.2 by:

- a. Removing the words “Board of Director or Director” and adding, in their place, the words “Board Director or Director”; and
- b. Removing the definitions of the terms “Board of Directors”, “FHLBank” and “Finance Board”.

51. Amend newly designated § 912.5(b)(1) by removing the words

“FHLBank consolidated bonds or notes” and adding, in their place, the words “consolidated obligations”.

52. Amend newly designated part 912 by revising all references to “FHLBank” and “FHLBanks” to read “Bank” and “Banks”, respectively.

53. In the table below, for each newly designated section indicated in the left column, remove the cross-reference indicated in the middle column and, in its place, add the cross-reference indicated in the right column:

| Section | Remove | Add |
|-----------------------|---------------------|---------------|
| 912.3(a) | § 906.4 | § 912.4 |
| 912.5(a)(1) | § 906.4 | § 912.4 |
| 912.5(a)(5) | § 906.4 | § 912.4 |
| 912.5(a)(6)(ii) | § 906.4 | § 912.4 |
| 912.5(b)(1) | § 906.4 | § 912.4 |
| 912.5(c)(2) | § 906.4 | § 912.4 |
| 912.5(c)(3)(i) | § 906.4(a) | § 912.4(a) |
| 912.6(a)(1) | § 906.4 | § 912.4 |
| 912.6(a)(1) | § 906.5 | § 912.5 |
| 912.6(a)(2) | § 906.5 | § 912.5 |
| 912.6(a)(2) | § 906.5(b)(4) | § 912.5(b)(4) |
| 912.6(b) | § 906.5 | § 912.5 |
| 912.6(c)(1) | § 906.5 | § 912.5 |

PART 913—PRIVACY ACT PROCEDURES

54. The authority citation for newly designated part 913 continues to read as follows:

Authority: 5 U.S.C. 552a.

55. Amend newly designated § 913.2 by:

a. Removing paragraph designations (a) through (k);

b. In the definition of the word “Amendment”, removing the words “paragraph (g) of”;

c. In the definition of “Designated system of records”, removing the words “paragraph (j) of”; and

d. Removing the definitions of the terms “Board of Directors” and “Finance Board”.

56. In the table below, for each newly designated section indicated in the left column, remove the cross-reference indicated in the middle column and, in its place, add the cross-reference indicated in the right column:

| Section | Remove | Add |
|-------------------|-------------------------------------|-------------------------------|
| 913.4(a) | § 909.3(b) | § 913.3(b) |
| 913.4(a) | § 909.6 | § 913.6 |
| 913.5(a) | § 909.9 | § 913.9 |
| 913.5(a) | § 909.3 | § 913.3 |
| 913.5(c)(4) | § 909.6 | § 913.6 |
| 913.9(a) | § 909.3 | § 913.3 |
| 913.9(a) | § 909.4 | § 913.4 |
| 913.9(a) | § 909.5(a) and (c)(3) and (4) | § 913.5(a) and (c)(3) and (4) |
| 913.9(a) | § 909.6 | § 913.6 |
| 913.9(b) | § 909.3 | § 913.3 |
| 913.9(b) | § 909.4 | § 913.4 |
| 913.9(b) | § 909.5(a) and (c)(3) | § 913.5(a) and (c)(3) |
| 913.9(b) | § 909.6 | § 913.6 |

PART 915—BANK DIRECTOR ELIGIBILITY, APPOINTMENT AND ELECTIONS

57. The authority citation for newly designated part 915 continues to read as follows:

Authority: 12 U.S.C. 1422a(a)(3), 1422b(a), 1426, 1427, and 1432; 42 U.S.C. 8101 *et seq.*

58. Amend newly designated part 915 by:

a. Removing the subpart designations; and

b. Removing newly designated §§ 915.16 through 915.19.

59. Amend newly designated § 915.1 by removing the definitions of the terms “Act”, “Bank or Banks”, “Finance Board” and “Member”.

60. Amend newly designated § 915.8(b), in the last sentence, by:

a. Adding the word “Bank’s” before the words “board of directors”; and

b. Removing the comma after the word “fill”.

61. Amend newly designated § 915.11(b) by adding the word “Bank’s” before the words “board of directors”, wherever they appear.

62. Amend newly designated § 915.11(f)(1) by removing the word “other”.

63. In the table below, for each newly designated section indicated in the left column, remove the cross-reference indicated in the middle column and, in its place, add the cross-reference indicated in the right column:

| Section | Remove | Add |
|--------------------|----------------------|----------------|
| 915.3(b)(3) | § 932.15 | § 915.15 |
| 915.4(a) | § 933.22(b)(1) | § 925.22(b)(1) |
| 915.4(b)(1) | § 935.15(a) | § 950.15(a) |
| 915.4(b)(1) | § 933.20(a) | § 925.20(a) |
| 915.4(b)(2) | § 933.20(b)(2) | § 925.20(b)(2) |
| 915.5(b) | § 932.4(b) | § 915.4(b) |
| 915.6(a)(3) | § 932.5(b) | § 915.5(b) |
| 915.7(a) | § 932.8(a) | § 915.8(a) |
| 915.8(a) | § 932.7(a) | § 915.7(a) |
| 915.8(b) | § 932.14(a) | § 915.14(a) |
| 915.8(c) | § 932.5 | § 915.5 |
| 915.12(a) | 12 CFR 900.51 | 12 CFR 905.51 |
| 915.13(a) | § 932.12 | § 915.12 |
| 915.13(b) | § 932.12 | § 915.12 |
| 915.14(a)(2) | § 932.7(a) | § 915.7(a) |
| 915.14(a)(2) | § 932.6(c) | § 915.6(c) |

64. New parts 917 and 918 are added to subchapter C to read as follows:

PART 917—POWERS AND RESPONSIBILITIES OF BANK DIRECTORS AND SENIOR MANAGEMENT

Sec.

917.1–917.5 [Reserved]

917.6 Budget preparation and reporting requirements.

917.7 Dividends.

917.8 Bank bylaws.

917.9 [Reserved]

Authority: 12 U.S.C. 1422a(a)(3), 1422b(a)(1), 1427, 1432(a), 1436(a), 1440.

§ 917.1–917.5 [Reserved]**§ 917.6 Budget preparation and reporting requirements.**

(a) *Adoption of budgets.* Each Bank’s board of directors shall be responsible for the adoption of an annual operating expense budget and a capital expenditures budget for the Bank, and any subsequent amendments thereto,

consistent with the requirements of the Act, this section, other regulations and policies of the Finance Board, and with the Bank's responsibility to protect both its members and the public interest by keeping its costs to an efficient and effective minimum.

(b) *No delegation of budget authority.* A Bank's board of directors may not delegate the authority to approve the Bank's annual budgets, or any subsequent amendments thereto, to Bank officers or other Bank employees.

(c) *Interest rate scenario.* A Bank's annual budgets shall be prepared based upon an interest rate scenario as determined by the Bank.

(d) *Board approval for deviations.* A Bank may not exceed its total annual operating expense budget or its total annual capital expenditures budget without prior approval by the Bank's board of directors of an amendment to such budget.

§ 917.7 Dividends.

A Bank's board of directors may declare and pay a dividend only from previously retained earnings or current net earnings and only if such payment will not result in a projected impairment of the par value of the capital stock of the Bank. Dividends on such capital stock shall be computed without preference.

§ 917.8 Bank bylaws.

A Bank's board of directors shall have in effect at all times bylaws governing the manner in which the Bank administers its affairs and such bylaws shall be consistent with applicable laws and regulations as administered by the Finance Board.

§ 917.9 [Reserved]

PART 918—BANK DIRECTOR COMPENSATION AND EXPENSES

Sec.

- 918.1 Definitions.
- 918.2 Annual compensation.
- 918.3 Compensation policy requirements.
- 918.4 Expenses.
- 918.5 Approval by Finance Board.
- 918.6 Disclosure.
- 918.7 Maintenance of effort.
- 918.8 Site of board of directors and committee meetings.

Authority: 12 U.S.C. 1422b(a), 1427.

§ 918.1 Definitions.

As used in this part:

Compensation means any payment of money or provision of any other thing of value (or the accrual of a right to receive money or a thing of value in a subsequent year) in consideration of a director's performance of official duties for the Bank, including, without

limitation, daily meeting fees, incentive payments and fringe benefits.

§ 918.2 Annual compensation.

Beginning in 2000 and annually thereafter, each Bank's board of directors shall adopt by resolution a written policy to provide for the payment to Bank directors of reasonable compensation for the performance of their duties as members of the Bank's board of directors, subject to the requirements set forth in § 918.3. At a minimum, such policy shall address the activities or functions for which attendance is necessary and appropriate and may be compensated, and shall explain and justify the methodology for determining the amount of compensation to be paid to directors.

§ 918.3 Compensation policy requirements.

Payment to directors under each Bank's policy on director compensation may be based upon factors that the Bank determines to be appropriate, but each Bank's policy shall conform to the following requirements:

(a) *Statutory limits on annual compensation.* Pursuant to section 7(i) of the Act, as amended, 12 U.S.C. 1427(i), for 2000, the following limits on compensation shall apply: for a Chairperson—\$25,000; for a Vice Chairperson—\$20,000; for any other member of the Bank's board of directors—\$15,000. Beginning in 2001 and for subsequent years, these limits on annual compensation shall be adjusted annually by the Finance Board to reflect any percentage increase in the preceding year's Consumer Price Index (CPI) for all urban consumers, as published by the Department of Labor. Each year, as soon as practicable after the publication of the previous year's CPI, the Finance Board shall publish notice by **Federal Register**, distribution of a memorandum, or otherwise, of the CPI-adjusted limits on annual compensation.

(b) *Compensation permitted only for performance of official Bank business.* The total compensation received by each director in a year shall reflect the amount of time spent on official Bank business, such that greater or lesser attendance at board and committee meetings during a given year will be reflected in the compensation received by the director for that year. A Bank shall not pay fees to a director, such as retainer fees, that do not reflect the director's performance of official Bank business.

§ 918.4 Expenses.

Each Bank may pay its directors for such necessary and reasonable travel, subsistence and other related expenses incurred in connection with the performance of their official duties as are payable to senior officers of the Bank under the Bank's travel policy, except that directors may not be paid for gift or entertainment expenses.

§ 918.5 Approval by Finance Board.

Payments made to directors in compliance with the limits on annual directors' compensation and the standards set forth in this section are deemed to be approved by the Finance Board for purposes of section 7(i) of the Act, as amended.

§ 918.6 Disclosure.

Each Bank shall, in its annual report:

(a) State the sum of the total actual compensation paid to its directors in that year;

(b) State the sum of the total actual expenses paid to its directors in that year; and

(c) Summarize its policy on director compensation.

§ 918.7 Maintenance of effort.

(a) *General.* Notwithstanding the limits on annual directors' compensation established by section 7(i) of the Act, as amended, the board of directors of each Bank shall continue to maintain its level of oversight of the management of the Bank, and, except as provided in paragraph (b) of this section, the board of directors shall hold no fewer in-person meetings in any year than it has held on average over the immediately preceding three years.

(b) *Waiver of meeting requirement.* A Bank may apply to the Finance Board for approval, upon a showing of good cause, to hold in any year fewer than the number of in-person board of directors meetings required under paragraph (a) of this section.

§ 918.8 Site of board of directors and committee meetings.

Meetings of a Bank's board of directors and committees thereof usually should be held within the district served by the Bank. No meetings of a Bank's board of directors and committees thereof may be held in any location that is not within the United States, including its possessions and territories.

PART 925—MEMBERS OF THE BANKS

65. The authority citation for newly designated part 925 continues to read as follows:

Authority: 12 U.S.C. 1422, 1422a, 1422b, 1423, 1424, 1426, 1430, 1442.

66. Amend newly designated § 925.1 by removing the definitions of the terms “Act”, “Bank”, “Board”, and “Member”.

67. Amend newly designated § 925.15 by redesignating paragraphs (a)(i) and (a)(ii) as paragraphs (a)(1) and (a)(2), respectively.

68. Amend newly designated part 925 by removing the word “Board”, and adding, in its place, the words “Finance Board” in the following places:

- a. Section 925.1(n)(1)(iii);
- b. Section 925.2(a)(2) and (c) (introductory text);
- c. Section 925.3(a) and (c) (“Board’s”);
- d. Section 925.5(a)(1), (b)(1), (b)(2) and (c);
- e. Section 925.18(a)(2), (c)(2), (c)(4) and (d)(2);

- f. Section 925.20(e);
- g. Section 925.25(d)(2); and
- h. Section 925.27(a), (b)(1), (b)(4), (c)(1), (c)(2), (c)(3) and (d).

69. In the table below, for each newly designated section indicated in the left column, remove the cross-reference indicated in the middle column and, in its place, add the cross-reference indicated in the right column:

| Section | Remove | Add |
|--------------------------------------|---|---|
| 925.1(s) | § 933.20 or 933.25 | § 925.20 or 925.25 |
| 925.1(y) | § 933.8 | § 925.8 |
| 925.2(a)(2) | § 933.5 | § 925.5 |
| 925.2(b) | §§ 933.6 to 933.18 | §§ 925.6 to 925.18 |
| 925.2(c)(2) | §§ 933.6 to 933.18 | §§ 925.6 to 925.18 |
| 925.2(c)(4) | § 933.3(b) | § 925.3(b) |
| 925.4(a) | § 933.20(b)(1) | § 925.20(b)(1) |
| 925.4(c) | § 933.18(d) | § 925.18(d) |
| 925.4(d)(1)(introductory text) | § 933.20 | § 925.20 |
| 925.4(d)(2) | § 933.25(d)(1)(i) | § 925.25(d)(1)(i) |
| 925.4(d)(2) | §§ 933.25(d)(2)(i), (e) and (f) | §§ 925.25(d)(2)(i), (e) and (f) |
| 925.5(c) | § 933.17 | § 925.17 |
| 925.7 | § 933.6(a)(1) | § 925.6(a)(1) |
| 925.8 | § 933.6(a)(2) | § 925.6(a)(2) |
| 925.9 | § 933.6(a)(3) | § 925.6(a)(3) |
| 925.10 | § 933.6(b) | § 925.6(b) |
| 925.10 | § 933.1(bb)(6) | § 925.1(bb)(6) |
| 925.11(a)(introductory text) | § 933.6(a)(4) | § 925.6(a)(4) |
| 925.11(b)(introductory text) | § 933.6(a)(4) | § 925.6(a)(4) |
| 925.11(c) | § 933.6(a)(4) | § 925.6(a)(4) |
| 925.12(introductory text) | § 933.6(a)(5) | § 925.6(a)(5) |
| 925.13(a) | § 933.6(a)(6) | § 925.6(a)(6) |
| 925.14(a)(1) | §§ 933.7, 933.8, 933.11 and 933.12 | §§ 925.7, 925.8, 925.11 and 925.12 |
| 925.14(a)(2) | § 933.9 | § 925.9 |
| 925.14(a)(3) | § 933.10 | § 925.10 |
| 925.14(a)(4)(i) | § 933.6(a)(6) | § 925.6(a)(6) |
| 925.14(a)(4)(i) | § 933.20 | § 925.20 |
| 925.14(a)(4)(i) | 12 CFR part 935 | 12 CFR part 950 |
| 925.14(a)(4)(ii) | § 933.6(a)(6) | § 925.6(a)(6) |
| 925.14(a)(4)(iii) | § 933.6(a)(6) | § 925.6(a)(6) |
| 925.14(a)(4)(iii) | § 933.17(f) | § 925.17(f) |
| 925.15 (intro) | §§ 933.7 to 933.13 | §§ 925.7 to 925.13 |
| 925.15(a)(1) | § 933.11(a)(1) | § 925.11(a)(1) |
| 925.15(a)(2) | § 933.11(b)(3)(i)(A) to (C) | § 925.11(b)(3)(i)(A) to (C) |
| 925.15(b) | § 933.13 | § 925.13 |
| 925.15(c) | §§ 933.9 and 933.10 | §§ 925.9 and 925.10 |
| 925.16 | § 933.6(a)(4) | § 925.6(a)(4) |
| 925.17(a) | §§ 933.7 to 933.16 | §§ 925.7 to 925.16 |
| 925.17(a) | § 933.6(a) and (b) | § 925.6(a) and (b) |
| 925.17(b) | §§ 933.8, 933.11, 933.12, 933.13, or 933.16 .. | §§ 925.8, 925.11, 925.12, 925.13, or 925.16 |
| 925.17(b) | § 933.6(a)(2), (4), (5), or (6) | § 925.6(a)(2), (4), (5), or (6) |
| 925.17(c)(heading) | § 933.8 | § 925.8 |
| 925.17(c) | § 933.8 | § 925.8 |
| 925.17(c) | § 933.6(a)(2) | § 925.6(a)(2) |
| 925.17(d)(heading) | §§ 933.11 and 933.16 | §§ 925.11 and 925.16 |
| 925.17(d)(1) | § 933.11(b)(1) | § 925.11(b)(1) |
| 925.17(d)(1) | § 933.11(b)(3)(i) | § 925.11(b)(3)(i) |
| 925.17(d)(1) | § 933.6(a)(4) | § 925.6(a)(4) |
| 925.17(d)(2) | § 933.16 | § 925.16 |
| 925.17(d)(2) | § 933.6(a)(4) | § 925.6(a)(4) |
| 925.17(e)(heading) | § 933.12 | § 925.12 |
| 925.17(e)(3)(i) | §§ 933.11(b)(2) and 933.16 | §§ 925.11(b)(2) and 925.16 |
| 925.17(e)(3)(ii) | §§ 933.11(b)(2) and 933.16 | §§ 925.11(b)(2) and 925.16 |
| 925.17(f)(heading) | §§ 933.13, 933.14(a)(4), and 933.14(b)(3) | §§ 925.13, 925.14(a)(4), and 925.14(b)(3) |
| 925.18(e) | §§ 933.26, 933.27, and 933.28 | §§ 925.26, 925.27, and 925.28 |
| 925.18(e) | § 933.30 | § 925.30 |
| 925.20(b) | § 933.3 | § 925.3 |
| 925.20(b)(1) and (2) | § 933.4(a) or (d) | § 925.4(a) or (d) |
| 925.22(b)(1) | § 933.20(a) | § 925.20(a) |
| 925.22(b)(1) | § 933.31(d) | § 925.31(d) |

| Section | Remove | Add |
|----------------------------------|------------------------------------|------------------------------|
| 925.23 | § 933.20(a) | § 925.20(a) |
| 925.24(a)(2) | § 933.20(a) | § 925.20(a) |
| 925.24(b)(2) | § 933.29 | § 925.29 |
| 925.24(b)(3) | § 934.17 | § 917.7 |
| 925.25(d)(2)(ii)(A) | § 933.20(a) | § 925.20(a) |
| 925.25(d)(2)(ii)(B) | § 933.20(a) | § 925.20(a) |
| 925.25(d)(2)(iii) | § 933.20(a) | § 925.20(a) |
| 925.25(d)(3) | § 933.29 | § 925.29 |
| 925.26(c) | § 933.29 | § 925.29 |
| 925.26(d) | § 934.17 | § 917.7 |
| 925.27(e) | § 933.29 | § 925.29 |
| 925.27(f) | § 934.17 | § 917.7 |
| 925.28(b) | § 933.29 | § 925.29 |
| 925.28(c) | § 934.17 | § 917.7 |
| 925.29(a)(1) | § 933.26, 933.27 or 933.28 | § 925.26, 925.27 or 925.28 |
| 925.29(a)(1) | § 933.28 | § 925.28 |
| 925.29(a)(1) | §§ 933.24(b) or 933.25(d)(3) | §§ 925.24(b) or 925.25(d)(3) |
| 925.29(a)(2) | § 935.19 | § 950.19 |
| 925.30 (introductory text) | § 933.26 | § 925.26 |
| 925.30(a) | § 933.18 | § 925.18 |
| 925.30(b) | § 933.4(a) | § 925.4(a) |
| 925.31(d) | § 933.22(b)(1) | § 925.22(b)(1) |

70. In subchapter E, add and reserve part 930 as follows:

PART 930—[RESERVED]

71. In subchapter F, add and reserve part 940 as follows:

PART 940—[RESERVED]

PART 944—COMMUNITY SUPPORT REQUIREMENTS

72. The authority citation for newly designated part 944 continues to read as follows:

Authority: 12 U.S.C. 1422a(a)(3)(B), 1422b(a)(1), 1429, and 1430.

73. Amend newly designated 944.1 by:

- a. Removing paragraph designations (a) through (o); and
- b. Removing the definitions of the terms “Bank”, “Finance Board” and “Member”.

74. In the table below, for each newly designated section indicated in the left column, remove the cross-reference indicated in the middle column and, in its place, add the cross-reference indicated in the right column:

| Section | Remove | Add |
|---|--|----------------------------------|
| 944.1 (def. of <i>CICA</i> or <i>Community Investment Cash Advance</i>). | § 935.1 | § 950.1 |
| 944.1 (def. of <i>Community lending</i>) | § 970.3 | § 952.3 |
| 944.1 (def. of <i>First-time homebuyer</i>) | paragraph (l)(1) of this section | paragraph (1) of this definition |
| 944.1 (def. of <i>First-time homebuyer</i>) | paragraph (l)(2) | paragraph (2) of this definition |
| 944.1 (def. of <i>First-time homebuyer</i>) | paragraph (l)(3) | paragraph (3) of this definition |
| 944.3(b)(2) | § 936.5 | § 944.5 |
| 944.3(b)(3) | § 936.5 | § 944.5 |
| 944.3(c)(2) | § 936.5 | § 944.5 |
| 944.3(c)(3) | § 936.5 | § 944.5 |
| 944.4(a) | § 936.3 | § 944.3 |
| 944.5(a)(3) | § 936.3(b)(2) | § 944.3(b)(2) |
| 944.5(a)(4) | § 936.3(c)(2) | § 944.3(c)(2) |
| 944.5(d)(2) (introductory text) | § 936.3(b)(2) | § 944.3(b)(2) |
| 944.5(d)(2)(i) | § 936.3(b)(3) | § 944.3(b)(3) |
| 944.5(e) | parts 960 and 970 | parts 951 and 952 |

PART 950—ADVANCES

75. The authority citation for newly designated part § 950 continues to read as follows:

Authority: 12 U.S.C. 1422a(a)(3), 1422b(a)(1), 1426, 1429, 1430, 1430b and 1431.

76. Amend newly designated § 950.1 by removing the definitions of the terms “Act”, “Bank”, “Board” and “Member”.

77. Amend newly designated part 950 by removing the word “Board” and, in its place, adding the words “Finance Board” in the following places:

- a. Section 950.1 (definitions of *Affordable Housing Program*, *Nonresidential real property*, *Residential housing finance assets* (par. 6) and *Residential real property* (par. (1)(v));
- b. Section 950.2(c)(3);
- c. Section 950.3(a) and (c);

- d. Section 950.4(c)(1);
- e. Section 950.9(e);
- f. Section 950.13(d)(2);
- g. Section 950.20(a); and
- h. Section 950.23(c)(2), (c)(3), (c)(4)(introductory text) (first sentence only), (c)(4)(i) and (c)(4)(ii).

78. In the table below, for each newly designated section indicated in the left column, remove the cross-reference indicated in the middle column and, in

its place, add the cross-reference indicated in the right column:

| Section | Remove | Add |
|---|----------------------------|----------------------|
| 950.1 (def. of <i>Affordable Housing Program</i>) | part 960 | part 951 |
| 950.1 (def. of <i>Community Investment Cash Advance</i>) | section 1430 | section 10 |
| 950.1 (def. of <i>Community Investment Cash Advance</i>) | section 1430(j)(10) | section 10(j)(10) |
| 950.1 (def. of <i>Community Investment Cash Advance</i>) | section 1430(i) | section 10(i) |
| 950.1 (def. of <i>Community Investment Cash Advance</i>) | parts 960 and 970 | parts 951 and 952 |
| 950.1 (def. of <i>Community Investment Cash Advance</i>) | part 970 | part 952 |
| 950.5(g)(2)(i) | § 935.4(b)(2) | § 950.4(b)(2) |
| 950.5(g)(2)(ii) | § 935.4(a) | § 950.4(a) |
| 950.6(b)(2)(ii) | § 935.3(a) | § 950.3(a) |
| 950.6(b)(3) | part 960 | part 951 |
| 950.8(a) | § 935.3(a) | § 950.3(a) |
| 950.9(a)(2) | § 935.1 | § 950.1 |
| 950.11(a) | § 935.4(c) | § 950.4(c) |
| 950.13(c)(1) | § 935.4(b)(2) | § 950.4(b)(2) |
| 950.13(c)(1) | § 935.4(a) | § 950.4(a) |
| 950.13(c)(2) | § 935.18(c) | § 950.18(c) |
| 950.13(e) | § 935.4(b)(2) | § 950.4(b)(2) |
| 950.13(e) | § 935.4(a) | § 950.4(a) |
| 950.15(a)(2) | § 935.13(a)(1)(ii) | § 950.13(a)(1)(ii) |
| 950.15(b) | § 935.13(a)(1)(ii) | § 950.13(a)(1)(ii) |
| 950.21 | § 935.13 | § 950.13 |
| 950.21 | § 935.20 | § 950.20 |
| 950.21 | § 935.24 | § 950.24 |
| 950.22(d) | § 935.24(b)(2) | § 950.24(b)(2) |
| 950.23(b) | part 933 | part 925 |
| 950.24(a) | part 933 | part 925 |
| 950.24(b)(2)(i) | § 935.22(d) | § 950.22(d) |
| 950.24(b)(2)(i)(A) | § 935.9(a)(1) or (2) | § 950.9(a)(1) or (2) |
| 950.24(b)(2)(i)(B) | § 935.9(a)(3) | § 950.9(a)(3) |
| 950.24(b)(2)(i)(B) | § 935.22(d) | § 950.22(d) |
| 950.24(b)(2)(i)(C) | § 935.9(a)(4) | § 950.9(a)(4) |
| 950.24(c)(2)(i) | § 935.6(b) | § 950.6(b) |
| 950.24(c)(2)(ii) | § 936.5(b)(2) | § 944.5(b)(2) |

PART 951—AFFORDABLE HOUSING PROGRAM

79. The authority citation for newly designated part 951 continues to read as follows:

Authority: 12 U.S.C. 1430(j).

80. Amend newly designated § 951.1 by removing the definitions of the terms “Act”, “Bank”, “Board of Directors”, “Finance Board” and “Member”.

81. In the table below, for each newly designated section indicated in the left column, remove the cross-reference indicated in the middle column and, in its place, add the cross-reference indicated in the right column:

| Section | Remove | Add |
|---|--------------------------------|--------------------------|
| 951.1 (def. of <i>Advance</i> , par. (3)) | part 935 | part 950 |
| 951.1 (def. of <i>Subsidy</i> , par. (1)) | § 960.8(c)(3) | § 951.8(c)(3) |
| 951.3(b)(1)(i) | § 960.1 | § 951.1 |
| 951.3(b)(1)(iii) | § 960.5(b)(2) | § 951.5(b)(2) |
| 951.3(b)(1)(v) | § 960.5(b)(10) | § 951.5(b)(10) |
| 951.3(b)(1)(vi) | § 960.6(b)(4) | § 951.6(b)(4) |
| 951.3(b)(1)(vii) | § 960.8 | § 951.8 |
| 951.3(b)(1)(viii) | §§ 960.10(c) and 960.11 | §§ 951.10(c) and 951.11 |
| 951.5(a)(2)(i) | § 960.1 | § 951.1 |
| 951.5(a)(5) | § 960.13(d)(1) | § 951.13(d)(1) |
| 951.5(b)(1) | § 960.1 | § 951.1 |
| 951.5(b)(7)(i) | § 960.13(c)(4) or (d)(1) | § 951.13(c)(4) or (d)(1) |
| 951.5(b)(7)(ii) | § 960.13(c)(5) or (d)(2) | § 951.13(c)(5) or (d)(2) |
| 951.6(b)(2)(i) | § 960.5(b) | § 951.5(b) |
| 951.6(b)(3) | § 960.5(b) | § 951.5(b) |
| 951.6(b)(4)(i) | § 960.5(b) | § 951.5(b) |
| 951.7(a)(1) | § 960.5(b) | § 951.5(b) |
| 951.8(b)(2)(i) | § 960.5(a)(2) | § 951.5(a)(2) |
| 951.8(b)(2)(iii) | § 960.5(a)(7) | § 951.5(a)(7) |

| Section | Remove | Add |
|---------------------------|---|-------------------------------------|
| 951.8(c)(2) | § 960.5(b) | § 951.5(b) |
| 951.9(c) | § 960.5(b) | § 951.5(b) |
| 951.10(b)(1)(ii)(B) | § 960.13(c)(4) or (d)(1) | § 951.13(c)(4) or (d)(1) |
| 951.10(c)(1)(iii) | § 960.13(c)(4) or (d)(1) | § 951.13(c)(4) or (d)(1) |
| 951.10(d) | § 960.1 | § 951.1 |
| 951.11(b) | § 960.1 | § 951.1 |
| 951.12(a)(1)(ii) | §§ 960.7 or 960.9 | §§ 951.7 or 951.9 |
| 951.12(a)(2)(i)(B) | §§ 960.7 or 960.9 | §§ 951.7 or 951.9 |
| 951.12(b)(2) | §§ 960.7 or 960.9 | §§ 951.7 or 951.9 |
| 951.13(b)(3)(i) | § 960.12(a)(1) | § 951.12(a)(1) |
| 951.13(b)(3)(ii)(A) | § 960.12(b) | § 951.12(b) |
| 951.13(b)(3)(ii)(B) | § 960.12(a)(2) | § 951.12(a)(2) |
| 951.13(b)(4)(i) | §§ 960.10(b) and 960.11(a)(3)(ii) | §§ 951.10(b) and 960.11(a)(3)(ii) |
| 951.13(b)(4)(ii) | § 960.10(a)(1) | § 951.10(a)(1) |
| 951.13(b)(4)(iii) | §§ 960.10(a)(2) and 960.11(a)(3)(i) | §§ 951.10(a)(2) and 960.11(a)(3)(i) |
| 951.14(a)(1) | § 960.2 | § 951.2 |
| 951.15(a)(1) | § 960.2 | § 951.2 |
| 951.15(a)(2) | § 960.2 | § 951.2 |

PART 952—COMMUNITY INVESTMENT CASH ADVANCE PROGRAMS

82. The authority citation for newly designated part 952 continues to read as follows:

Authority: 12 U.S.C. 1422b(a)(1) and 1430.

83. Amend newly designated § 952.3 by removing the definitions of the terms “Act”, “Bank”, “Board of Directors”, “Finance Board” and “Member”.

84. In the table below, for each newly designated section indicated in the left column, remove the cross-reference indicated in the middle column and, in its place, add the cross-reference indicated in the right column:

| Section | Remove | Add |
|--|-------------------------|-------------------|
| 952.1 | part 960 | part 951 |
| 952.2 | § 970.3 | § 952.3 |
| 952.3 (def. of <i>Advance</i>) | § 935.1 | § 950.1 |
| 952.3 (def. of <i>AHP</i>) | part 960 | part 951 |
| 952.3 (def. of <i>CICA</i> or <i>Community Investment Cash Advance</i>) | § 935.1 § 950.1. | |
| 952.3 (def. of <i>CICA</i> program, par.(3)) | § 970.3 | § 952.3 |
| 952.3 (def. of <i>CICA</i> program, par. (4)) | § 970.3 | § 952.3 |
| 952.3 (def. of <i>non-member borrower</i>) | part 935 part 950. | |
| 952.4 | § 936.6 | § 944.6 |
| 952.5(a)(1) | part 960 | part 951 |
| 952.5(a)(3) | § 970.3 | § 952.3 |
| 952.5(a)(4) | § 970.3 | § 952.3 |
| 952.5(d)(1) | § 935.6 | § 950.6 |
| 952.5(d)(3) | parts 935 and 960 | parts 950 and 951 |
| 952.5(d)(4)(ii) | § 935.24 | § 950.24 |

88. In subchapter G, add parts 955, 956 and 960, and reserve parts 955 and 960, as follows:

PART 955—MEMBER MORTGAGE ASSETS [RESERVED]

PART 956—INVESTMENTS

Sec.

956.1 Definitions. [Reserved]

956.2 Authorized investments.

956.3 Loans guaranteed under the Foreign Assistance Act of 1961.

956.4 Gold and gold-related transactions.

Authority: 12 U.S.C. 1422b(a)(1), 1431, 1436(a).

§ 956.1 Definitions. [Reserved]

§ 956.2 Authorized investments.

(a) Banks may acquire or dispose of securities with prior approval of the Finance Board or its designated

representative or in conformity with authorizations of the Finance Board or such representative, or stated Finance Board policy. A Bank's board of directors may authorize Bank officer(s) to acquire or dispose of securities qualifying as liquidity for deposits under the investment policy of the Finance Board as in the judgment of the officer(s) is necessary in the operation of the Bank. Any other acquisition or disposition must be authorized in advance by a majority of the board of directors, executive committee, or investment committee consisting of three or more persons a majority of whom are directors of the Bank. Single acquisitions or dispositions may be so authorized, or acquisitions and/or dispositions of securities of a stated amount maturing within specified dates as in the judgment of the officer(s)

designated in the authorization are necessary in the operation of the Bank, may be so authorized, for periods of 90 days or less.

(b) Compliance with sections 11 and 16 of the Act, 12 U.S.C. 1431 and 1436, shall be determined based on the principal amount of obligations of the United States.

(c) Secured advances to members maturing within five years are investments in compliance with section 11(g) of the Act, 12 U.S.C. 1431(g).

(d) Cash reserves may be held temporarily, awaiting investment opportunity, without violating section 16 of the Act, 12 U.S.C. 1436.

§ 956.3 Loans guaranteed under the Foreign Assistance Act of 1961.

(a) With prior approval of the Finance Board, a Bank's board of directors may authorize it to acquire, hold, or dispose

of any of the following loans, or interests therein, primarily to facilitate acquisition of participation interests in such loans by members authorized to make such investment:

(1) Housing project loans with any guaranty under section 221 of the Foreign Assistance Act of 1961, as in effect before December 30, 1969;

(2) Loans with any guaranty under section 224 of such Act, as in effect before December 30, 1969; or (3) Loans with any guaranty under section 221 or 222 of such Act, as in effect after December 29, 1969.

(b) Prior approval of the Finance Board is not required to repurchase participation interests previously sold to a member.

§ 956.4 Gold and gold-related transactions.

No Bank may engage in any capacity or manner in any transaction or activity involving gold (including gold coin) or gold related instruments or securities, except for purchase and sale of gold coins minted and issued by the United States Treasury pursuant to Public Law 99-185, 99 Stat. 1177 (1985), and activities reasonably incident thereto.

PART 960—OFF-BALANCE SHEET ITEMS [RESERVED]

PART 961—STANDBY LETTERS OF CREDIT

86. The authority citation for newly designated part 961 continues to read as follows:

Authority: 12 U.S.C. 1422b, 1429, 1430, 1430b, 1431.

87. Amend newly designated § 961.1 by removing the definitions of the terms “Act”, “Bank”, “Finance Board” and “Member”.

88. In the table below, for each newly designated section indicated in the left column, remove the cross-reference indicated in the middle column and, in its place, add the cross-reference indicated in the right column:

| Section | Remove | Add |
|--|---|---|
| 961.1 (def. of <i>Community lending</i>) | § 970.4 | § 952.4. |
| 961.1 (def. of <i>Nonmember mortgagee</i>) | § 935.22(b) | § 950.22(b). |
| 961.1 (def. of <i>Nonmember SHFA</i>) | § 935.1 | § 950.1. |
| 961.1 (def. of <i>Residential housing finance</i> , par. (1)). | § 935.1 | § 950.1. |
| 961.2(a)(2) | part 970 | part 952. |
| 961.2(b) | § 938.4(a)(2) | § 961.4(a)(2). |
| 961.2(c)(1) | § 935.9(a) | § 950.9(a). |
| 961.2(c)(1) | § 935.9(a)(4)(iii) | § 950.9(a)(4)(iii). |
| 961.3(a) | §§ 935.24(b)(1)(i) or (ii) | §§ 950.24(b)(1)(i) or (ii). |
| 961.3(a)(2) | part 970 | part 952. |
| 961.3(b) | § 935.24(b)(2)(i)(A), (B) or (C) | §§ 950.24(b)(2)(i)(A), (B) or (C). |
| 961.4(a)(1) | §§ 934.5, 935.24(b)(2)(i)(B) or 935.24(d) | §§ 950.24(b)(2)(i)(B), 950.24(d), or 965.2(a)(2). |
| 961.4(c) | part 935 | part 950. |
| 961.5(a)(1)(ii) | § 935.5 | § 950.5. |
| 961.5(a)(1)(iii) | part 970 | part 952. |
| 961.5(a)(1)(iv) | § 943.6(b) | § 975.6(b). |
| 961.5(b)(1) | §§ 938.2 or 938.3 | §§ 961.2 or 961.3 |
| 961.5(b)(2) | §§ 935.9(b), 935.9(d), 935.9(e), 935.10, 935.11 and 935.12. | §§ 950.9(b), 950.9(d), 950.9(e), 950.10, 950.11 and 950.12. |

89. In subchapter H, add and reserve part 965 as follows:

PART 965—SOURCES OF FUNDS [RESERVED]

PART 966—CONSOLIDATED OBLIGATIONS

90. The authority citation for newly designated part 966 continues to read as follows:

Authority: 12 U.S.C. 1422b, 1431.

91. Amend newly designated part 966 by redesignating §§ 966.0 through 966.7 as §§ 966.1 through 966.8.

92. Amend newly designated § 966.1 by:

a. Removing the paragraph designations;

b. Removing the definitions of “Finance Board”, “Bank” and “consolidated bonds”; and

c. Arranging the remaining defined terms alphabetically.

93. Amend newly designated part 966 by removing the terms “consolidated bonds” and “consolidated Federal Home Loan Bank bonds”, wherever they appear, and, in the place of both, adding the term “consolidated obligations”.

94. Amend newly designated part 966 by removing the word “Board” and, in its place, adding the words “Finance Board” in the following places:

a. Sections 966.2(a) and (b);

b. Section 966.3;

c. Section 966.4;

d. Section 966.5;

e. Section 966.6; and

f. Section 966.7(b)(2).

95. Amend newly designated part 966 by removing the words “Federal Home Loan Banks”, wherever they appear, and, in their place, adding the word “Banks”.

96. Amend newly designated part 966 by removing the words “Federal Home Loan Bank Act”, wherever they appear, and, in their place, adding the word “Act”.

97. In the table below, for each newly designated section indicated in the left column, remove the cross-reference indicated in the middle column and, in its place, add the cross-reference indicated in the right column:

| Section | Remove | Add |
|--|---------------------|---------------|
| 966.1 (def. of <i>Non-complying Bank</i>) | § 910.7(b)(1) | § 966.8(b)(1) |

| Section | Remove | Add |
|--|--------------------------|--------------------|
| 966.1 (def. of <i>Non-complying Bank</i>) | § 910.7(b)(2) | § 966.8(b)(2) |
| 966.1 (def. of <i>Non-complying Bank</i>) | § 910.7(c) | § 966.8(c) |
| 966.4 | part 912 | part 987 |
| 966.6 | §§ 910.3 and 910.4 | §§ 966.4 and 966.5 |
| 966.7(b) (introductory paragraph) | § 910.1 (b) or (c) | § 966.2 (b) or (c) |
| 966.7(b)(2) | § 910.1(b) | § 966.2(b) |

98. In subchapter H, add a new part 969, as follows:

PART 969—DEPOSITS

Sec.

969.1 Definitions. [Reserved]

969.2 Deposits from members.

969.3 Deposits in banks and trust companies.

Authority: 12 U.S.C. 1422b(a)(1), 1431.

§ 969.1 Definitions. [Reserved]

§ 969.2 Deposits from members.

Banks may accept demand and time deposits from members, reserving the right to require notice of intention to withdraw any part of time deposits. Rates of interest paid on all deposits shall be set by the Bank's board of directors (or, between regular meetings thereof, by a committee of directors selected by the board) or by the Bank President, if so authorized by the board. Unless otherwise specified by the board, a Bank President may delegate to any officer or employee of the Bank any authority he possesses under this section.

§ 969.3 Deposits in banks and trust companies.

For purposes of determining compliance with the deposit liquidity requirement of section 11(g) of the Act, 12 U.S.C. 1431(g) the term *deposits in banks or trust companies* means:

- (1) A deposit in another Bank;
- (2) A demand account in a Federal Reserve Bank;
- (3) A deposit in, or a sale of federal funds to:
 - (i) An insured depository institution, as defined in section 2(12)(A) of the Act (12 U.S.C. 1422(12)(A)), that is designated by a Bank's board of directors;
 - (ii) A trust company that is a member of the Federal Reserve System or insured by the Federal Deposit Insurance Corporation, and is designated by a Bank's board of directors; or
 - (iii) A U.S. branch or agency of a foreign bank, as defined in the International Banking Act of 1978, as amended (12 U.S.C. 3101 *et seq.*), that is subject to the supervision of the Board of Governors of the Federal

Reserve System, and is designated by a Bank's board of directors.

PART 975—COLLECTION, SETTLEMENT, AND PROCESSING OF PAYMENT INSTRUMENTS

99. The authority citation for newly designated part 975 continues to read as follows:

Authority: 12 U.S.C. 1430, 1431.

100. Amend newly designated § 975.4 (introductory text) by removing the reference to “§ 943.2” and, in its place, adding a reference to “§ 975.2”.

101. Amend newly designated part 975 by removing the word “Board”, wherever it appears, and, in its place, adding the words “Finance Board”.

102. Amend newly designated part 975 by removing the terms “Federal Home Loan Bank” and “Federal Home Loan Banks”, wherever they appear, and, in their place, adding the words “Bank” and “Banks”, respectively.

103. Amend newly designated part 975 by removing the terms “Federal Home Loan Bank Act” and “Bank Act”, wherever they appear, and, in the place of both, adding the word “Act”.

104. In subchapter I, add new parts 977 and 978 as follows:

PART 977—MISCELLANEOUS BANK AUTHORITIES

Sec.

977.1 Definitions. [Reserved]

977.2 Transfer of funds between Banks.

977.3 Trustee powers.

Authority: 12 U.S.C. 1422a(a)(3), 1422b(a)(1), 1431(a), 1431(e), 1432(a).

§ 977.1 Definitions. [Reserved]

§ 977.2 Transfer of funds between Banks.

Inter-Bank borrowing shall be through unsecured deposits bearing interest at rates negotiated between Banks.

§ 977.3 Trustee powers.

A Bank may act, and make reasonable charges for doing so, as trustee of any trust affecting the business of any member or any institution or group applying for membership or for insurance of accounts, or any group applying for a charter for a Federal Savings Association, if:

(a) Such trust is created or arises for the benefit of the institution or its depositors, investors, or borrowers, or for the promotion of sound and economical home financing; and

(b) In the case of applicants, the Bank ceases to act as trustee if the application is withdrawn or rejected.

PART 978—BANK REQUESTS FOR INFORMATION

Sec.

978.1 Definitions.

978.2 Scope.

978.3 Request for confidential information.

978.4 Form of request.

978.5 Storage of confidential information.

978.6 Access to confidential information.

978.7 Third party requests for confidential information.

978.8 Computer data.

Authority: 12 U.S.C. 1422b(a), 1442.

§ 978.1 Definitions.

As used in this part:

Confidential information means any record, data, or report, including but not limited to examination reports, or any part thereof, that is non-public, privileged or otherwise not intended for public disclosure which is in the possession or control of a financial regulatory agency and which contains information regarding members of a Bank or financial institutions with which a Bank has had or contemplates having transactions under the Act.

Financial regulatory agency means any of the following:

- (1) The Department of the Treasury, including either the Office of the Comptroller of the Currency or the Office of Thrift Supervision;
- (2) The Board of Governors of the Federal Reserve System;
- (3) The National Credit Union Administration; or
- (4) The Federal Deposit Insurance Corporation.

Third party means any person or entity except a director, officer, employee or agent of either:

- (1) A Bank in possession of any particular confidential information; or
- (2) The financial regulatory agency that supplied the particular confidential information to such Bank.

§ 978.2 Scope.

This part governs the procedure by which a Bank will request and receive confidential information pursuant to section 22 of the Act, 12 U.S.C. 1442.

§ 978.3 Request for confidential information.

A Bank shall make all requests for confidential information to a financial regulatory agency, or to a regional office of such agency if mutually agreeable, in accordance with the procedures contained in this part as well as any procedures of general applicability for requesting information promulgated by such financial regulatory agency. This part and its procedures may be supplemented by a confidentiality agreement between a Bank and a financial regulatory agency.

§ 978.4 Form of request.

A request by a Bank to a financial regulatory agency for confidential information shall be made in writing or by such other means as may be agreed upon between the Bank and the financial regulatory agency. The request shall reference section 22 of the Act, 12 U.S.C. 1442, as amended, and this regulation, and shall describe the confidential information requested and identify its intended use pursuant to the Act. The request shall be signed or otherwise made by any duly authorized Bank officer or employee.

§ 978.5 Storage of confidential information.

Each Bank shall:

(a) Store all identified confidential information in secure storage areas or filing cabinets or other secured facilities generally used by such Bank and limit access thereto in the same manner as it maintains the confidentiality of its own members' privileged or non-public information;

(b) Have in place a written set of procedures and policies designed to ensure the confidentiality of confidential information in its possession; and

(c) Establish an internal review of its procedures for storing confidential information and maintaining its confidentiality, as a part of its internal audit process.

§ 978.6 Access to confidential information.

Each Bank shall ensure that access to the confidential information stored at its facility is limited to those with a need to know such information and that employees with access maintain the confidentiality of the confidential information in accordance with the Bank's own procedures for maintaining

the confidentiality of its members' privileged or non-public information.

§ 978.7 Third party requests for confidential information.

(a) *General.* In the event a Bank receives a request for confidential information in its possession from any third party, the Bank shall forward such request to the financial regulatory agency from which the confidential information was obtained.

(b) *Subpoena.* In the event a Bank receives a subpoena for confidential information issued by a Federal, state or local government department, agency, court or bureau, the Bank shall give timely written notice of such subpoena to the financial regulatory agency from which the confidential information was obtained, unless such notice is prohibited by applicable law. Except as limited in this part, the Bank may disclose confidential information pursuant to the subpoena, after giving timely written notice, when:

(1) The financial regulatory agency gives written approval to the disclosure; or

(2) A binding order to produce the confidential information has become final with all rights of appeal either exhausted or lapsed.

(c) *Nondisclosure to third parties.* Except as provided in paragraph (b) of this section, a Bank shall not disclose confidential information to any third party. A Bank shall refer all third party requests for such confidential information to the financial regulatory agency that released the confidential information to the Bank.

(d) *Disclosure to Finance Board.* (1) Neither this part nor any confidentiality agreement executed between a Bank and a financial regulatory agency shall prevent a Bank from disclosing confidential information in its possession to the Finance Board whenever disclosure is necessary to accomplish the Finance Board's supervision of Bank membership applications or Bank director eligibility issues, or disclosing any confidential information in its possession if such disclosure is made pursuant to an audit conducted pursuant to § 978.5 or section 20 of the Act, 12 U.S.C. 1440.

(2) The Finance Board shall keep all confidential information received under paragraph (d) of this section in strict confidence.

§ 978.8 Computer data.

Nothing in this part shall preclude a Bank from arranging with any financial regulatory agency to transmit or allow access to confidential information with the consent of such agency by means of

an electronic computer system. Any such arrangement shall ensure the security of the computerized data stored in a Bank's computer and restrict access to such data in order to preserve confidentiality in a manner agreed upon by the Bank and the financial regulatory agency.

105. In subchapter J, add and reserve a new part 980 as follows:

PART 980—[RESERVED]**PART 985—OPERATIONS OF THE OFFICE OF FINANCE**

106. The authority citation for newly designated part 985 continues to read as follows:

Authority: 12 U.S.C. 1422b, 1431.

107. Amend newly designated § 985.1 by removing the definitions of the terms "Bank", "Bank Act", "Consolidated obligation" and "Finance Board".

108. Amend newly designated part 985 by removing the words "Federal Home Loan Banks" and adding, in their place, the word "Banks" in the following places:

a. Section 985.1 (definition of *Bank System*—last two references only); and
b. Section 985.6(c)(1).

109. Amend newly designated part 985 by removing the words "Bank Act" and "Federal Home Loan Bank Act" and adding, in the place of both, the word "Act" in the following places:

a. Section 985.3(a);
b. Section 985.4(c)(1);
c. Section 985.6(c)(2) and (c)(3); and
d. Section 985.8(a).

110. Amend newly designated part 985 by removing the words "Board of Directors" and adding, in their place, the words "board of directors" in the following places:

a. Section 985.1 (under the definition of *Chair* and in the heading to the definition of *OF board of directors*);
b. Section 985.2;
c. Section 985.3(a) and (b);
d. Section 985.5 (introductory paragraph);
e. Section 985.6(a)(1), (a)(4), (a)(5) and (b);
f. Section 985.7 (heading), (a), (b), (c)(introductory text), (d)(1), (d)(2), (d)(3), (d)(4), (e)(1), (e)(2), (e)(3), (f)(1)(i) and (f)(1)(ii);
g. Section 985.8 (heading), (a), (b)(introductory text), (c) and (d)(1);
h. Section 985.9 (heading), (a)(1), (a)(2) and (b);
i. Section 985.10 (heading), (a)(1) and (b);
j. Section 985.11(b), (c), (d), (e)(1), (e)(2)(i), (e)(2)(ii), (f)(i), (f)(2)(iii), (f)(3) and (f)(5); and
k. Section 985.12(c).

111. Amend newly designated § 985.7(c)(2) by removing the word “FHLBank”.

112. Amend newly designated § 985.7(f)(2)(i) by removing the words “board of directors of the Finance

Board” and adding, in their place, the words “Board of Directors of the Finance Board”.

113. In the table below, for each newly designated section indicated in the left column, remove the cross-

reference indicated in the middle column and, in its place, add the cross-reference indicated in the right column:

| Section | Remove | Add |
|--------------------------|---|---------------------|
| 985.6(a)(4) | § 941.11 | § 985.11 |
| 985.7(f)(2)(intro) | § 932.17 | part 918 |
| 985.7(f)(2)(ii) | Section 932.17(a)(3) and (c)(1)(ii) | Section 918.3(a)(2) |
| 985.7(f)(2)(iii) | § 932.17 | part 918 |

PART 987—BOOK-ENTRY PROCEDURE FOR CONSOLIDATED OBLIGATIONS

114. The authority citation for newly designated part 987 continues to read as follows:

Authority: 12 U.S.C. 1422a, 1422b, 1431, 1435.

115. Amend newly designated § 987.1 by:

a. Removing paragraph designations (a) through (q); and

b. Removing the definitions of the terms “Federal Home Loan Bank Security” and “Finance Board”.

116. Amend newly designated part 987 by removing the terms “Federal Home Loan Bank security” and “Federal Home Loan Bank securities”, wherever they appear, and adding, in their place, the terms “consolidated obligation” and “consolidated obligations”, respectively.

117. Amend newly designated part 987 by removing the terms “Federal Home Loan Bank” and “Federal Home Loan Banks”, wherever they appear, and adding, in their place, the words “Bank” and “Banks”, respectively.

118. In the table below, for each newly designated section indicated in the left column, remove the cross-reference indicated in the middle column and, in its place, add the cross-reference indicated in the right column:

| Section | Remove | Add |
|---|-----------------------------|-----------------------|
| 987.1 (def. of Office of Finance) | part 941 | part 985 |
| 987.2(a) | part 912 | part 987 |
| 987.2(b) | § 912.4(c)(1) | § 987.4(c)(1) |
| 987.2(b) | § 912.3 | § 987.3 |
| 987.3(a)(introductory text) | part 912 | part 987 |
| 987.4(c)(2) | § 912.2(b) or § 912.3 | § 987.2(b) or § 987.3 |
| 987.5(a) | § 912.4(c)(1) | § 987.4(c)(1) |
| 987.5(a) | part 912 | part 987 |
| 987.6(b) | part 912 | part 987 |
| 987.8(a) | part 912 | part 987 |
| 987.8(b) | part 912 | part 987 |
| 987.9(a) | part 912 | part 987 |
| 987.9(b) | part 912 | part 987 |

PART 989—FINANCIAL STATEMENTS OF THE BANKS

119. The authority citation for newly designated part 989 continues to read as follows:

Authority: 12 U.S.C. 1422a, 1422b, 1431 and 1440.

120. Amend newly designated part 989 by removing and reserving newly designated § 989.1.

PART 995—FINANCING CORPORATION OPERATIONS

121. The authority citation for newly designated part 995 continues to read as follows:

Authority: 12 U.S.C. 1441(b)(8), (c) and (j).
122. Amend newly designated § 995.1 by:

a. Removing paragraph designations (a) through (p);

b. Removing the definitions of the terms “Act”, “Bank or Banks” and “Finance Board”.

123. Amend newly designated § 995.4(b) by:

a. Removing the words “Federal Home Loan Bank securities” wherever they appear and adding, in their place, the words “consolidated obligations”.

b. Removing the words “Federal Home Loan Bank” and “Federal Home Loan Banks”, wherever they appear, and

adding, in their place, the words “Bank” and “Banks”, respectively.

124. Amend newly designated § 995.8(b) by removing the words “Board of Directors of the FDIC” and adding, in their place, the words “board of directors of the FDIC”.

125. In the table below, for each newly designated section indicated in the left column, remove the cross-reference indicated in the middle column and, in its place, add the cross-reference indicated in the right column:

| Section | Remove | Add |
|---|----------------|----------|
| 995.1 (def. of Office of Finance) | part 941 | part 985 |
| 995.4(b) | part 912 | part 987 |
| 995.7(a) | § 950.6 | § 995.6 |
| 995.8(b) | § 950.6 | § 995.6 |

| Section | Remove | Add |
|-------------------|---------------|---------|
| 995.8(c)(1) | § 950.6 | § 995.6 |
| 995.8(c)(2) | § 950.6 | § 995.6 |

PART 996—AUTHORITY FOR BANK ASSISTANCE OF THE RESOLUTION FUNDING CORPORATION

126. The authority citation for newly designated part 996 is revised to read as follows:

Authority: 12 U.S.C. 1422a, 1422b.

127. Amend newly designated § 996.1 by removing the words “Federal home loan banks” and adding, in their place, the word “Banks”.

128. Amend newly designated § 996.2 by removing the word “bank” and adding, in its place, the word “Bank”.

129. In subchapter L, add and reserve a new part 997, as follows:

PART 997—RESOLUTION FUNDING CORPORATION OBLIGATIONS OF THE BANKS [RESERVED]

Dated: January 19, 2000.

By the Board of Directors of the Federal Housing Finance Board.

Bruce A. Morrison,

Chairman.

[FR Doc. 00-3754 Filed 2-17-00; 8:45 am]

BILLING CODE 6725-01-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 71

[Airspace Docket No. 99-AGL-56]

Modification of Class D Airspace; Grand Forks AFB, ND

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This action modifies Class D airspace at Grand Forks AFB, ND. This action amends the effective hours of the Class D surface area to coincide with the airport traffic control tower (ATCT) hours of operation for Grand Forks AFB. The purpose of this action is to clarify when two-way radio communication with the ATCT is required.

EFFECTIVE DATE: 0901 UTC, April 20, 2000.

FOR FURTHER INFORMATION CONTACT: Denis C. Burke, Air Traffic Division, Airspace Branch, AGL-520, Federal Aviation Administration, 2300 East Devon Avenue, Des Plaines, Illinois 60018, telephone (847) 294-7568.

SUPPLEMENTARY INFORMATION:

History

On Friday, December 3, 1999, the FAA proposed to amend 14 CFR part 71 to modify Class D airspace at Grand Forks AFB, ND (64 FR 67810). The proposal was to amend the effective hours to coincide with the ATCT hours of operation for Grand Forks AFB. Controlled airspace extending upward from the surface is needed to contain Instrument Flight Rules (IFR) operations during portions of the terminal operation and while transiting between the enroute and terminal environments. Interested parties were invited to participate in this rulemaking proceeding by submitting written comments on the proposal to the FAA. No comments objecting to the proposal were received. Class D airspace designations are published in paragraph 5000 of FAA Order 7400.9G dated September 1, 1999, and effective September 16, 1999, which is incorporated by reference in 14 CFR 71.1. The Class D airspace designation listed in this document will be published subsequently in the Order.

The Rule

This amendment to 14 CFR part 71 modifies Class D airspace at Grand Forks AFB, ND, by amending the effective hours to coincide with the ATCT hours of operation for Grand Forks AFB. The area will be depicted on appropriate aeronautical charts.

The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. Therefore, this regulation—(1) Is not a “significant regulatory action” under Executive Order 12866; (2) is not a “significant rule” under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a Regulatory Evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

Adoption of the Amendment

In consideration of the foregoing, the Federal Aviation Administration amends 14 CFR part 71 as follows:

PART 71—DESIGNATION OF CLASS A, CLASS B, CLASS C, CLASS D, AND CLASS E AIRSPACE AREAS; AIRWAYS; ROUTES; AND REPORTING POINTS

1. The authority citation for part 71 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40103, 40113, 40120; E.O. 10854, 24 FR 95665, 3 CFR, 1959-1963 Comp., p. 389.

§ 71.1 [Amended]

2. The incorporation by reference in 14 CFR 71.1 of the Federal Aviation Administration Order 7400.9G, Airspace Designations and Reporting Points, dated September 1, 1999, and effective September 16, 1999, is amended as follows:

* * * * *

Paragraph 5000 Class D airspace.

* * * * *

AGL ND D Grand Forks AFB, ND [Revised]

Grand Forks AFB, ND

(Lat. 47° 57' 40" N., long. 97° 24' 04" W.)

That airspace extending upward from the surface to and including 3,400 feet MSL within an 4.9-mile radius of Grand Forks AFB, and within 2.3 miles each side of the 174° bearing from the AFB extending from the 4.9-mile radius of the AFB to 5.6 miles south of the AFB, excluding that airspace within the Grand Forks, ND, Class D airspace area. This Class D airspace area is effective during the specific dates and times established in advance by Notice to Airmen. The effective date and time will thereafter be continuously published in the Airport/Facility Directory.

* * * * *

Issued in Des Plaines, Illinois on February 3, 2000.

Christopher R. Blum,

Manager, Air Traffic Division.

[FR Doc. 00-3974 Filed 2-17-00; 8:45 am]

BILLING CODE 4910-13-M