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By e-mail to RegComments@FHFA.gov

Alfred M. Pollard, Esq.
General Counsel
Federal Housing Finance Agency
Fourth Floor
1700 G Street, N.W.
Washington, D.C. 20552

Attention: Comments/ RIN 2590-AA31

Re: Proposed Rule on Federal Home Loan Bank Directors' Compensation and Expenses

Dear Mr. Pollard:

On behalf of the Council of Federal Home Loan Banks, a trade association whose members include all twelve Federal Home Loan Banks, I appreciate the opportunity to comment on the Federal Housing Finance Agency's (FHFA) proposed rule on Federal Home Loan Bank directors' compensation and expenses. The proposed rule is intended to implement the provisions of the Housing and Economic Recovery Act of 2008 (HERA) by allowing each FHLBank to pay its directors reasonable compensation and expenses, subject to the authority of the FHFA Director to object to, and to prohibit prospectively, compensation and/or expenses that the FHFA Director determines are not reasonable.

The proposed rule states that director compensation policies must reflect the amount of time the director has spent on official Bank business and that compensation must be reduced to reflect lesser attendance at board or committee meetings during a given year (Section 1261.22(b)). We believe that the final rule should clarify that "attendance" at meetings includes attendance through electronic capabilities such as video or telephone conferencing.

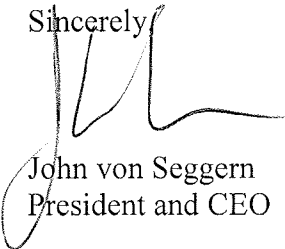
At Section 1261.21 (b) the proposed rule provides that by no later than the 10th business day of each calendar year, each Bank must report to the FHFA Director the

amount of compensation and expenses paid to each director for the immediately preceding calendar year. The final rule should clarify that director expenses at group functions that are not reimbursed back to individual directors (such as group meals in connection with board or committee meetings) should not be reported as an expense. Reporting these expenses separately would result in an unnecessary burden.

The proposed rule at Section 1261.25 includes disclosure requirements that differ from what the FHLBanks are already required to disclose as SEC registrants. Imposing a second set of compensation and expense disclosure requirements in addition to what the FHLBanks are required to disclose by the SEC could prove to be administratively burdensome and confusing, and is not required by the HERA legislation. We believe that a better approach would be for the final rule to track the SEC requirements, for disclosure purposes, while the FHFA's oversight would be to focus on the "reasonableness" of the directors' compensation and expenses. For your information we have attached a chart prepared by outside counsel that compares the disclosure requirements in the proposed rule with the SEC's compensation reporting standards.

Thank you for your consideration of our comments on the proposed rule.

Sincerely,

A handwritten signature in black ink, appearing to read "John von Seggern", written over the typed name below.

John von Seggern
President and CEO

Attachment

COMPARISON OF FEDERAL HOME LOAN BANK DIRECTORS' COMPENSATION AND EXPENSES PROPOSED DISCLSOSURE REGULATIONS AND SECURITIES AND EXCHANGE COMMISSION COMPENSATION REPORTING STANDARDS

The following chart is a comparison of the proposed regulations for disclosure of compensation and expenses of Federal Home Loan Bank ("Bank") directors as set forth in proposed Regulation Sec.1261.25 with comparable disclosures required for directors of public companies in annual reports on Form 10-K of the Securities and Exchange Commission . ("SEC" or "Commission").

	FHFA Proposal	SEC Rules
Definition of Compensation	Any payment of money or the provision of any other thing of value in connection with service as a director. Includes all direct and indirect payments or benefits, both cash and non-cash.."	Form 10-K requires disclosures of the items required by Item 402 of Rule S-K. This item requires a comprehensive matrix of compensation items that must be disclosed, such as fees, stock options, and pension benefits. In addition, the rule requires disclosure of "all other compensation," that includes benefits not properly includable under one of the other tables unless the aggregate amount is less than \$10,000. ¹
Director by Director Basis	The proposed Regulation) requires a Bank to state "the total compensation paid to each director."	The SEC similarly requires compensation be disclosed on a director by director basis.
Expense Reimbursement	Bank to state the "total expenses	Reimbursement for ordinary

¹ The "all other compensation" column is a category for any item not properly includable under one of the other tables, and includes perquisites and personal benefits or property unless the aggregate amount is less than \$10,000. It further includes "gross-ups" or other reimbursements for the payment of taxes; discount on purchase of the registrant's securities; the amount paid in connection with the resignation, retirement, or termination of such director or in a change of control, registrant contributions or other allocations to vested or unvested defined contribution plans, consulted fees earned from or payable by the registrant or its subsidiaries, payments and promises of payments pursuant to director legacy programs and similar charitable award programs, life insurance premium payments by the registrant, and the dollar value of any dividends or other earnings on stock and option awards when not factored into the grant date fair value. In addition, there must be a narrative to the table describing any material factors necessary to the understanding of the compensation disclosed. The narrative must include a description of standard compensation arrangements, such as retainer fees, and fees for committee service, service as chairman of the board or for a committee, and meeting attendance. Additionally, any different compensation arrangement for any director must be specifically identified and described.

	paid to each director.”	expenses would not be disclosed unless it reaches the magnitude required to be considered “compensation” under SEC guidance.
Disclosure of Board and Committee Meetings	Bank to state “the total number of board meetings and meetings of its designated committees.”	SEC Rule S-K requires disclosure in proxy statements of the total number of meetings of the board of directors, including regularly scheduled and special meetings. That provision however is not incorporated in Form 10-K, but applies to proxy statements.
Member attendance	Bank to state “the number of board and designated committees each director attended.”	The SEC has no comparable provision. Rule S-K requires a proxy statement (although not a Form 10-K) to name any incumbent director who in the last year attended less than seventy-five per cent of the aggregate of total board meetings and committee meetings.
Summary of Director Compensation Policy	Bank to summarize “its policy on director compensation.”	Rule S-K requires a narrative description of any factors necessary to an understanding of the items shown in the director compensation table. The Regulation S-K also requires proxy statements to include a narrative description of processes and procedures for the consideration and determination of director compensation. .