

May 3, 2021

Submitted via E-Mail (RegComments@fhfa.gov)

Federal Housing Finance Agency
Eighth Floor
400 Seventh Street, S.W.
Washington, DC 20024
Attn: Clinton Jones, Esq., General Counsel

Re: Proposed Collection; Comment Request: ‘Federal Home Loan Bank Directors, (No. 2021-N-3)

Dear Mr. Jones:

The Federal Home Loan Banks (each, an “**FHLBank**” and collectively, “**FHLBanks**”) appreciate this opportunity to comment on the proposed revisions to the FHLBank Director data collection forms (“**Forms**”). We thank Federal Housing Finance Agency (“**Finance Agency**”) staff for their continued cooperation and collaboration as we enhance the Forms.

The FHLBanks are the primary consumers of information in the Forms, followed by the Finance Agency. The Forms also communicate to directors, applicants, and nominees, the Finance Agency’s expectations for them. The Finance Agency thoughtfully enhanced the Forms with these audiences in mind. We have identified additional areas in which the Forms may be enhanced, as set forth below.

I. General Comments

We commend the Finance Agency for several of the Form enhancements, including formalizing the discontinuance of the notary requirement for the Member Director Eligibility Form and streamlining and simplifying questions and instructions.

The FHLBanks appreciate the Finance Agency’s proposal to closely align the Forms to the relevant regulatory requirements. The Forms generally conform better to the relevant provisions of the Federal Home Loan Bank Act, as amended (“**FHLBank Act**”), and the Finance Agency’s regulations than the current text. These changes enhance efficiency for data gathering and review.

A. Privacy Disclosures

Directors, nominees, and applicants desire to understand when, where, how, and by whom their personal data is used. The FHLBanks inform their director nominees and applicants when such background checks occur. We understand the Finance Agency also performs independent background checks of certain directors, applicants, and nominees. Directors, applicants, and nominees should be on notice the Finance Agency may perform an independent background check. The FHLBanks therefore urge the Finance Agency to amend the certification at the end of each Form to state “You agree that the Bank and the Federal Housing Finance Agency may perform a background check on you, including without limitation regarding any information disclosed herein.”

We further request that the Finance Agency disclose to directors, applicants, and nominees the scope of the background checks it performs, with whom results will be shared, how long such information will be retained, and other pertinent information. Such disclosure would provide transparency and put directors, applicants, and nominees on notice of such data collection, and reduce reputational risk.

B. Additional Identifying Information

Please add spaces for former, alias, and similar names. This will facilitate background checks on individuals whose names have been changed over time. Common examples may include married names, transliterated names, or names that may have been entered into various information systems inconsistently.

C. Additional Space for Responses

Several applicants, directors, and nominees have reported the Forms did not provide sufficient room for responses. This difficulty has presented itself with open-ended questions and more straightforward blanks, especially for longer email addresses. When finalizing the Forms, please increase the space provided for responses.

Additionally, please update the Forms to state that, where necessary, individuals may continue their answers onto additional pages, each of which shall be attached to the Form and deemed a part thereof.

II. Form-Specific Comments

General comments on specific forms are set forth below. We also have enclosed copies of each Form marked to reflect specific comments.

A. Member Director Form Comments

The Form requests identification of the address of the principal place of business for FHLBank membership purposes for the Primary Member Affiliation and for any Other Member Affiliations. We request that this be changed to “Your business address at the member.”

A member’s principal place of business is relevant for membership eligibility purposes but is not relevant for the director election process. Even small community financial institutions may have multiple branches with wide geographic dispersion, and there is no assurance that a member’s principal place of business will be where the relevant director or nominee works. Moreover, a nominee for a member directorship may not know which office is the “home office” stated in the member’s charter, which is relevant for the “principal place of business” legal analysis. Because the FHLBanks are responsible for the legal analysis to determine membership eligibility and therefore the state for which an applicant may be eligible to serve as a member director, the nominee’s office address (where they can be reached by mail) is more important for the director election process; we request that be the address used.

We note that certain members (such as non-depository CDFIs) do not have capital requirements established by a primary regulator. As a result, we suggest adding “N/A” as a possible answer to that question (in two places).

B. Independent Director Application Form Comments

We note there are some areas where this form deviates from specific regulatory text in cases where the Finance Agency has issued interpretive guidance in the past involving independent director eligibility. While we continue to believe these interpretations go beyond the scope of the relevant regulation, we appreciate the Finance Agency’s commitment to transparency in making these

interpretations public. Therefore, for purposes of this comment letter, and without conceding the propriety of these interpretations, the FHLBanks support their inclusion and recommend these provisions be expanded to make the Finance Agency's interpretations clearer, as noted below. We encourage the Finance Agency to undertake appropriate public interpretative rulemaking on these topics so that all interested persons have an opportunity to submit comments.

First, the Independent Director Application Form instructions note that an applicant or independent director may be disqualified if their employer takes "advances."¹ We understand the Finance Agency interprets "advance" in § 1261.10(a) and (b) to include any extension of credit of any kind, including potentially the FHLBank's purchase of a bond. The Instructions and question 8 (renumbered question 7) should more clearly state the scope of the prohibition.

We specifically request the form be revised to address the FHLBank's purchase of bonds issued by an applicant's employer, and whether the prohibition would apply to any purchase (e.g., privately negotiated or via an open-market purchase) and at what level (e.g., would the purchase of any amount of any bond issued by the employer fully disqualify the person?). With respect to FHLBank purchases of state housing finance agency bonds, which are considered unsecured obligations under the Finance Agency's existing regulatory interpretation Regulatory Interpretation 2002-RI-05, the FHLBanks believe that it is inappropriate for the Finance Agency to consider the purchase of such securities as equivalent to secured advances. Finance Agency regulations establish a specific process for State Housing Finance Agencies ("HFAs") to become non-member housing associates of an FHLBank eligible to borrow advances from an FHLBank on a secured basis through the pledge of limited specific types of eligible collateral (as defined by Finance Agency regulations).² Treating the purchases of HFA general obligation bonds (defined by the Finance Agency as unsecured transactions) as equivalent to advances is inconsistent with the terms of the Finance Agency's regulations defining advances and with the narrowing of restrictions on FHLBank transactions with independent directors following the passage of the Housing and Economic Recovery Act of 2008.

Independent director applicants who are executives of an HFA should be eligible to serve as independent directors provided that their HFA is not an actual secured borrower from the FHLBank in advances or other secured transactions (e.g., repurchase agreement transactions). The definition of "advances" for purposes of independent director ineligibility should be limited to *secured* transactions between an FHLBank and the independent director's institution. Executives of HFAs can bring important skills to FHLBank boards such as: capital markets, public policy, asset/liability management and in-depth affordable housing knowledge. Applying an overly restrictive definition of advances to an FHLBank's purchases of general obligation bonds from an HFA and having such transactions disqualify an HFA executive from FHLBank independent director eligibility prevents FHLBanks from access to these well-qualified director candidates.

Regardless of such concerns, we encourage the Finance Agency to make its interpretation clearer to avoid any surprises in the Finance Agency's nominee review process. We further request that question 8 (renumbered question 7) be expanded to include a reference to the "recipient of advances" disqualification, and to list the specific disqualifying transactions.

¹ Compare Independent Director Application Form Instructions and Question 7; with 12 C.F.R. § 1261.10.

² See 12 C.F.R. §§ 1264.2 and 1266.17.

Second, consistent with recent Finance Agency interpretation, the introduction to question 13 (renumbered question 12) notes “industry-side experience, even if the activities undertaken may have benefitted consumer or community interest, is generally not qualifying [for Public Interest Independent Director Status] because it does not involve ‘representing’ those interests.”³ We anticipate this statement raising questions with directors, applicants, and nominees. The Finance Agency should clarify:

- What does “industry-side experience” mean?
- While “industry-side experience[,] is generally not qualifying,” under what circumstances can it be qualifying, and why? Or is the bar absolute? Why and to what extent is industry-side experience disqualifying?
- Can government service be qualifying? In particular, service with state housing finance agencies (or other entities qualifying as housing associates) can provide critical perspectives.
- Whether Affordable Housing Advisory Council service is sufficient? The FHLBanks observe that members of their Affordable Housing Advisory Councils (“**Advisory Councils**”) provide essential perspective on the needs of the communities the FHLBanks support. Under the FHLBank Act each FHLBank’s Advisory Council has an express statutory duty to represent consumer and community interests in affordable housing as follows:

Each Bank shall appoint an Advisory Council of 7 to 15 persons drawn from community and nonprofit organizations actively involved in providing or promoting low- and moderate-income housing in its district. The Advisory Council shall meet with representatives of the board of directors of the Bank **quarterly to advise the Bank on low- and moderate-income housing programs and needs in the district** and on the utilization of the advances for these purposes. Each Advisory Council established under this paragraph shall submit to the Director at least annually its analysis of the low-income housing activity of the Bank by which it is appointed.⁴

Importantly, the Advisory Council has the specific duty to look out in the district to identify community needs. The Advisory Council is not charged with representing the FHLBanks to organizations, communities or others in an FHLBank’s district or otherwise. The Advisory Council identifies the community needs in its FHLBank’s district and then brings that information back to the FHLBank to ensure that the FHLBank’s programs address district needs (i.e., community needs). Advisory Council members in this way directly represent community interests, not their own organization’s interest or the FHLBank’s interest. Consequently, Advisory Council service should be considered with respect to an individual’s eligibility to serve on an FHLBank’s board as a public interest director. Disallowing Advisory Council service from counting toward the eligibility criteria for public interest directors is inconsistent with the role of Advisory Council members and the Advisory Council as set forth in the FHLBank Act.

The FHLBanks’ objective remains focused on identifying public interest independent director candidates who can best help us achieve our affordable housing mission. It remains unclear why otherwise-qualifying experience should be rejected because it was “industry-side experience.”

³ *But see* 12 C.F.R. § 1261.7(e)(2) (no prohibition on industry-side experience).

⁴ *See* 12 U.S.C. § 1430(j)(11) (emphasis added).

Notwithstanding this observation, the FHLBanks request that the Finance Agency make clearer that which it seeks to prohibit.

Third, we have identified other areas in which this Form may be enhanced (numbers refer to the renumbering reflected in the Form attached).

- Question 8A. This question addresses different bases for disqualification: service as an FHLBank officer, and service with a member or recipient of advances. Please either add a blank for “an FHLBank” to question 8B or separate that portion of question 8A into another question.
- Question 11. Please expand this question to include relevant professional certifications.
- Question 12. Please add the following statement: “If you wish to be considered for both types of Independent Directorship, or are unsure, please check both and answer all questions.” In the alternative, the FHLBanks request the question be reversed to require a box be checked only if a candidate does not wish to apply for a type of independent directorship. We believe this approach would also satisfy § 1261.7(d)(2)’s requirement “that the individual indicates on their application form a desire to be considered for a public interest directorship.”

C. Independent Director Annual Certification Form Comments

The FHLBanks request that the Instructions and (renumbered) question 8, relating to disqualification on the basis of accepting “advances,” be updated to conform to the similar changes in the Application Form. We further suggest revising the introduction to (renumbered) question 7 because all persons providing such certifications would have already been seated as independent directors.

III. Conclusion

The Finance Agency has thoughtfully and carefully improved the Forms, streamlining their requirements and enhancing their clarity. The Forms bring commendable transparency on matters of Finance Agency interpretation. We believe the further enhancements suggested in this letter will further improve the Forms.

The FHLBanks appreciate the opportunity to provide comments on the Forms. If Finance Agency staff have any questions about these or any other comments, or wish to discuss the Forms further, please contact Matt St. Louis, Deputy General Counsel of FHLBank Indianapolis (mstlouis@fhlbi.com), to facilitate FHLBank System discussions.

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On behalf of the FHLBanks, we appreciate your consideration of these comments.

Sincerely,

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Federal Home Loan Bank of Boston



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General Counsel, Corporate Secretary and Ethics
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Federal Home Loan Bank of San Francisco



Suzanne Titus-Johnson
Chief Legal Officer and Corporate Secretary

Federal Home Loan Bank of Topeka



Patrick C. Doran
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Enclosures (3)

cc: Vickie Olafson, Assistant General Counsel (Vickie.Olafson@fhfa.gov)
Angela Supervielle, Counsel (Angela.Supervielle@fhfa.gov)

FEDERAL HOME LOAN BANK MEMBER DIRECTOR ELIGIBILITY CERTIFICATION FORM (REVISED)

FHLBanks Enclosure

INSTRUCTIONS

This Federal Home Loan Bank Member Director Eligibility Certification Form must be completed by individuals wishing to accept a nomination to stand for election as a member director of the Federal Home Loan Bank of [TO BE COMPLETED BY EACH BANK] (Bank) or to be considered for appointment by the Bank's board to fill a member directorship that has become vacant. It must also be completed annually by each incumbent member director. Your responses to the questions on this Form will assist the Bank in verifying that you meet the eligibility requirements to serve as a member director.

You are eligible to serve as a member director of the Bank only if you meet all of the following requirements:

- You are a citizen of the United States;
- You are an officer or director of a member institution of the Bank:
 - That was a member of the Bank as of December 31, [PRIOR YEAR]; and
 - Whose voting state for purposes of Bank directorship elections is the state that is represented by the directorship for which you have been nominated; and
- Each member of the Bank for which you are an officer or director is in compliance with all of its applicable minimum capital requirements established by its primary regulator, if applicable, noting that certain members do not have capital requirements established by a primary regulator, such as non-depository CDFIs.

These eligibility requirements may be found in sections 7(a) and (b) of the Federal Home Loan Bank Act, 12 U.S.C. §§ 1427(a), (b), and in FHFA's regulations at 12 CFR 1261.5(a) and (b).

Please follow the instructions below appropriate for the purpose for which you are completing this form.

NOMINEES IN THE ANNUAL ELECTION CYCLE

If you have been nominated to stand for election as a member director of the Bank you must complete and execute this Form and submit it to the Bank on or before the date specified by the Bank to accept the nomination. If you do not submit a completed and executed Form by that date, you will be deemed to have declined the nomination. By law, the Bank may not permit a directorship nominee to stand for election unless it has verified that the nominee is legally eligible to serve in the directorship for which he or she has been nominated. Further, the Bank may neither declare elected any nominee nor seat any director-elect whom it has reason to know is ineligible to serve.

CANDIDATES TO FILL A VACANT MEMBER DIRECTORSHIP

If the Bank's board of directors is considering you as a candidate to fill the unexpired term of office of a vacant member directorship on the Bank's board, you must complete and execute this Form and return it to the Bank on or before the date specified by the Bank. If you fail to submit a completed and executed form by that date, or if you submit a form that does not adequately demonstrate that you meet all applicable eligibility requirements, the Bank may determine that you are ineligible to serve, in which case the Bank's board would be prohibited by law from electing you to fill the vacant directorship. By law, the Bank's board may not elect any person to fill a vacant directorship unless it has verified that the individual is legally eligible to serve in that directorship.

FEDERAL HOME LOAN BANK MEMBER DIRECTOR ELIGIBILITY CERTIFICATION FORM (REVISED)

FHLBanks Enclosure

ANNUAL ELIGIBILITY CERTIFICATIONS BY INCUMBENT DIRECTORS

The Bank is required by law to solicit information from its incumbent directors annually to verify that each director remains in compliance with the applicable statutory and regulatory eligibility requirements. During each calendar year that you are an incumbent member director, you must complete and execute this Form and return it to the Bank on or before the date specified by the Bank. If you fail to submit a completed and executed form by that date, or if you submit a form that does not adequately demonstrate that you continue to meet all applicable eligibility requirements, the Bank may determine that you are ineligible to serve, in which case it would be required by law to declare your directorship vacant.

YOUR PERSONAL INFORMATION

Please provide your personal information as indicated in Questions 1 – 3.

1. **Full name:**
2. **Other names currently or formerly used, or known by:**
3. **Contact information:**
 - Phone number (leave room for multiple; indicate home, office, or cell); E-mail address
 - Mailing address: Number/Street (or PO Box), City, State, Zip Code

ELIGIBILITY REQUIREMENTS

Please answer in full Questions 4 – 6, which pertain to your compliance with the statutory and regulatory eligibility requirements for member directors. You may continue your answers onto additional pages, each of which shall be attached to the Form and deemed a part thereof.

4. **Citizenship.** Are you a citizen of the United States? ___ Yes ___ No
5. **Primary Member Affiliation.** Please provide the following information about the institution you serve as an officer or director that is a member of the Bank on whose board you serve or have been nominated to serve:
 - Name of the institution:
 - Your title or position:
 - ~~Address of the member's principal place of business for Bank membership purposes~~Your business address at the member:
 - Does this institution comply with all applicable minimum capital requirements established by its primary regulator? ___ Yes ___ No ___ N/A
6. **Other Member Affiliations.**
 - A. Other than the institution you listed in response to Question 4, do you serve as an officer or director of any other institution that is a member of this Federal Home Loan Bank? ___ Yes ___ No

FEDERAL HOME LOAN BANK MEMBER DIRECTOR ELIGIBILITY CERTIFICATION FORM (REVISED)

FHLBanks Enclosure

B. If you answered Yes to Question 5A, please provide the following information for each member of the Federal Home Loan Bank that you serve as an officer or director:

- Name of the institution:
- Your title or position:
- ~~Address of the member's principal place of business for Bank membership purposes:~~ Your business address at the member:
- Does this institution comply with all applicable minimum capital requirements established by its primary regulator? ___ Yes ___ No ___ N/A

By executing this form, you are certifying that the information you have provided is true, correct, and complete to the best of your knowledge and that you understand that you have a continuing obligation to inform the Bank of any facts that may call into question your eligibility or ability to serve as a Bank director. You further agree that the Bank and the Federal Housing Finance Agency may perform a background check on you, including without limitation regarding any information disclosed herein.

Signature:

Dated:

FEDERAL HOME LOAN BANK INDEPENDENT DIRECTOR APPLICATION FORM (REVISED)

[FHLBanks Enclosure](#)

INSTRUCTIONS

You either have expressed interest in, or have been recommended for, nomination to stand for election as an independent director of the Federal Home Loan Bank of [TO BE COMPLETED BY EACH BANK] (Bank). **If you would like the Bank's board of directors to consider you as a possible nominee for an independent directorship, you must complete and execute this Federal Home Loan Bank Independent Director Application Form and submit it to the Bank on or before [DATE AT LEAST 30 DAYS AFTER BANKS PROVIDES ACCESS TO THE FORM].** If you do not submit a completed and executed Form by that date, you will be deemed to have declined to be considered for nomination.

By law, the Bank's board of directors may nominate you for an independent directorship only if it has verified that you meet the legal eligibility requirements applying to independent directors and possess the professional qualifications that are specified by law for the type of independent directorship for which you are being considered. Your responses to the questions on this Form will assist the Bank in verifying that you are legally eligible, and possess the required professional qualifications, to serve as an independent director of the Bank if elected.

You are eligible to serve as an independent director of the Bank only if you meet all of the following requirements:

- You are a citizen of the United States.
- You are a *bona fide* resident of the Bank District, as determined by meeting either one of the following two sets of criteria:
 - Your principal residence is located in the Bank District; or
 - You both:
 - Own or lease in your own name a residence in the Bank District; and
 - Are employed in a voting state in the Bank District.
- Neither you nor your spouse are:
 - An officer of any Federal Home Loan Bank; or
 - An officer, employee, or director of any member of, ~~or~~ recipient of advances from, or issuer of bonds purchase by, the Bank. For purposes of this prohibition:
 - "Advances" includes any form of lending, regardless of whether it is denominated as an "advance"; ~~and~~
 - "Member" and "recipient of advances" include the institution itself and the institution's holding company, except where the assets of all members or all recipients of advances constitute less than 35 percent of the assets of the holding company, on a consolidated basis; and
 - "Issuer of bonds purchased by the Bank" includes...

These eligibility requirements may be found in sections 7(a) and (b) of the Federal Home Loan Bank Act (Bank Act), 12 U.S.C. §§ 1427(a), (b), and in FHFA's regulations at 12 CFR 1261.5(c) and 1261.10.

In addition, you must demonstrate that you possess certain professional qualifications, which differ depending on whether you are seeking nomination for a "regular" or a "public interest" independent directorship. By law, the Bank must designate at least two of the independent directorships on its board as "public interest" directorships. These may be filled only by individuals having, at the time of nomination, more than four (4) years of experience representing consumer or community interests in banking services, credit needs, housing, or consumer financial protections.

Commented [DMD1]: Define whether the prohibition would apply to any bond purchase (e.g., privately negotiated or via an open-market purchase) and at what level.

FEDERAL HOME LOAN BANK INDEPENDENT DIRECTOR APPLICATION FORM (REVISED)

FHLBanks Enclosure

Regular independent directorships—that is, those that are not public interest directorships—must be filled by individuals having, at the time of nomination, experience in or knowledge of one or more of the following areas: auditing and accounting, derivatives, financial management, organizational management, project development, risk management practices, and the law. Such knowledge or experience must be commensurate with that needed to oversee a financial institution with a size and complexity comparable to that of the Bank. The requirements regarding professional qualifications may be found in section 7(a)(3)(B) of the Bank Act, 12 U.S.C. § 1427(a)(3)(B), and in FHFA’s regulations at 12 CFR 1261.7(e).

Please answer all applicable questions in full and do not answer any question by referring to another document, except where expressly permitted to do so. You may continue your answers onto additional pages, each of which shall be attached to the Form and deemed a part thereof.

YOUR PERSONAL INFORMATION

Please provide your personal information as indicated in Questions 1 – 4.

1. **Full name:**
2. **Other names currently or formerly used, or known by:**
3. **Contact information:**
 - Phone number (leave room for multiple; indicate home, office, or cell); E-mail address
 - Mailing address: Number/Street (or PO Box), City, State, Zip Code
4. **Current employment, if applicable:**
 - Name of your current employer; Your title or position
 - Your contact information at your place of employment:
 - Phone number; E-mail address
 - Number/Street, City, State, Zip Code

ELIGIBILITY REQUIREMENTS

Please answer Questions 5 – 8, regarding your eligibility to serve as an independent director in full.

CITIZENSHIP AND RESIDENCY

You must meet the legal requirements as to U.S. citizenship and Bank District residency to be eligible for nomination for an independent directorship.

5. **Citizenship.** Are you a citizen of the United States? ___ Yes ___ No
6. **Residency.**
 - A. Do you own or lease a residence within the Bank District? ___ Yes ___ No
If you answered No to Question 6A, you do not meet the residency requirement.
 - B. If you answered Yes to Question 6A, please provide the street address of your residence within the Bank District: (Number/Street, City, State, Zip Code)

FEDERAL HOME LOAN BANK INDEPENDENT DIRECTOR APPLICATION FORM (REVISED)

FHLBanks Enclosure

- C. Is the address provided in response to Question 6B your principal residence?
 Yes No

If you answered Yes to Question 6C, you meet the residency requirement.

If you answered No to Question 6C, you may still meet the residency requirement if you are employed within the Bank District. Please continue with Question 6D to indicate your in-District employment status.

- D. Are you employed within the Bank District? Yes No

- E. If you answered Yes to Question 6D, please identify your in-District employer:

- Check if your in-District employment information is the same as that entered in response to Question 4.
- Check if your in-District employment information is different from that entered in response to Question 4, then provide the following information:
 - Name of your in-district employer; Your title or position
 - Number/Street, City, State, Zip Code

INDEPENDENCE

The information you provide below will enable the Bank to determine whether you meet the independence requirements. You may be nominated if you do not currently meet the independence requirements, but you must agree as part of the certification at the end of this form that you and your spouse will relinquish any positions that the Bank determines to be prohibited under those requirements. If elected, you may not be seated as an independent director so long as you or your spouse hold any such prohibited positions and, once seated, would become ineligible to continue to serve as an independent director if you or your spouse were to take any such prohibited positions.

7. *Employment by a Federal Home Loan Bank.*

- A. Are you or your spouse an employee of any Federal Home Loan Bank? Yes No
- B. If you answered Yes to Question 7A, please provide the following information for each such position held by you or your spouse:
- Name of the person holding the position:
 - Federal Home Loan Bank of:
 - Position or Title:
 - Dates held:

8. *Employment by a Bank Member, Housing Associate, or Holding Company.*

- A. Are you or your spouse an officer of any Federal Home Loan Bank, an officer, director, or employee of a member of the Bank, a recipient of advances, an issuer of bonds purchased by the Bank, an entity certified as a housing associate of the Bank, or a holding company that controls one or more members or housing associates of the Bank? Yes No
- B. If you answered Yes to Question 8A, please provide the following information for each such position held by you or your spouse:

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- Name of the person holding the position:
- Name of the employer:
- Check the appropriate response below to indicate whether the employer is:
 - a member
 - a holding company of a member
 - an FHLBank
 - an issuer of bonds purchased by the Bank
 - a housing associate
 - a holding company of a housing associate
- Position or Title:
- Dates held:
- If the employer is a holding company or issuer of bonds purchased by the Bank:
 - Indicate the total assets of the holding company;
 - Indicate the total assets of each member or housing associate of the Bank controlled by the holding company;
 - Indicate type of bond purchased and amount of purchase; and
 - Provide, or direct the Bank to, documentation to support those amounts.

ACADEMIC AND EMPLOYMENT HISTORY

Please answer in full Questions 9 - 11, regarding your academic and employment background. If you wish, you may answer any or all of these questions by attaching a resume or CV, so long as you provide all of the information requested.

- Check if you have attached a resume or CV in response to Questions 9 - 11.
9. **Academic degrees.** Please list any college or advanced academic degrees that you have been awarded, specifying for each: the type of degree, the name and location of the academic institution that awarded your degree, and the date awarded.
10. **Employment History.** Please list, from most to least recent, the positions you have held during your professional career, specifying for each: the name and location of your employer, your position, and the date range during which you served in that position. Please explain any major gaps in your employment chronology.
11. **Other Relevant Experience and Achievements.** Please list any other significant positions you have held, or currently hold, (such as other directorships or volunteer positions) and any professional certifications that you believe are relevant to your qualifications to serve as an independent director of the Bank, specifying for each: the name and location of the organization with which you served, your position, and the date range during which you served in that position; for each certification, list the certification name, the certifying entity and the date of your certification.

PROFESSIONAL QUALIFICATIONS

Please indicate below whether you are seeking nomination for a public interest independent directorship or a regular independent directorship and then complete the appropriate questions

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regarding your qualifications for that type of independent directorship. If you wish to be considered for both types of Independent Directorships, or are unsure, please check both and answer all questions.

12. **Type of Independent Directorship Being Sought.** Please check one or both of the boxes below to indicate the type of independent directorship you are seeking.

- Check if you are seeking a public interest independent directorship.
- Check if you are seeking a regular independent directorship.

Commented [DMD2]: Alternatively, reverse the question so that an Applicant checks a box only if he or she does not want to apply for a type of Independent Directorship.

PUBLIC INTEREST INDEPENDENT DIRECTORSHIP

If you ~~are seeking~~would like to be considered for a public interest independent directorship, please answer in full Question 13, which pertains to your professional qualifications to serve in that capacity. Although you are not required to do so, you may also answer Questions 14 – 15, regarding professional qualifications requirements for regular independent directors, if you wish to highlight relevant knowledge or experience in the areas addressed in those questions. If you would like to be considered for only are seeking a regular independent directorship, you may skip to Question 14, although you may choose to answer Question 13, regarding professional qualifications requirements for public interest independent directors, if you wish to highlight relevant knowledge or experience in the areas addressed in that question.

By statute, a nominee for a public interest independent directorship must have “more than 4 years of experience in representing consumer or community interests on banking services, credit needs, housing, or consumer financial protections.” Qualifying experience in one of the four enumerated areas may have been acquired in professional, public service, or volunteer positions, so long as the work done was substantial in terms of time commitment and responsibility. Further, the experience must accrue from activities personally undertaken by the individual seeking nomination as a public interest independent director, as opposed to being attributed based merely on the activities of an organization with which the person was associated. As indicated by the statute’s use of the word “representing,” the experience must have involved advocating for, or otherwise acting primarily for the direct benefit of, consumer or community interests in one of the four enumerated areas. Thus, industry-side experience, even if the activities undertaken may have benefitted consumer or community interests, is generally not qualifying because it does not involve “representing” those interests.

Commented [DMD3]: Define “industry-side experience”

Commented [DMD4]: Under what circumstances would “industry-side experience” qualify an Applicant? Provide examples of qualifying and non-qualifying experience, including Affordable Housing Advisory Council membership, government service including leadership positions within state housing finance agencies, and board service within one of the four enumerated areas.

13. **Representation of Consumer and Community Interests.** Please explain in detail how you have represented consumer or community interests in banking services, credit needs, housing, or consumer financial protections for more than four years. At a minimum:

- Identify the positions through which you obtained your qualifying experience and specify the dates during which you served in those positions.
- Specify whether those positions involved banking services, credit needs, housing, or consumer financial protections.
- To the extent that your experience was obtained with an organization or agency, describe generally the mission of each such organization or agency and the manner in which its mission is typically fulfilled.

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- Describe your responsibilities in those positions and, if any were not full-time paid employment, indicate the amount of time you spent fulfilling those responsibilities annually.
- Describe your major accomplishments in those positions that relate to the experience needed to qualify as a public interest independent director.

REGULAR INDEPENDENT DIRECTORSHIP

If you are seeking a regular independent directorship, please answer in full Questions [14](#) – [15](#), which pertain to your professional qualifications to serve in that capacity. If you are seeking a public interest independent directorship, you are not required to answer these questions, but may choose to do so if you possess relevant knowledge and experience that you wish to highlight.

14. ***Primary Areas of Knowledge and Experience.*** Please indicate below, by checking the appropriate boxes, the professional areas in which you have significant knowledge or experience that is commensurate with that needed to oversee a financial institution with a size and complexity comparable to that of the Bank.

- Auditing and accounting
- Derivatives
- Financial management
- Organizational management
- Project development
- Risk management practices
- The law

15. ***Description of Knowledge and Experience.*** For each of your primary areas of professional knowledge and experience indicated in response to Question [14](#), please describe in detail the nature of that knowledge and experience and the circumstances under which you obtained it. At a minimum, for each area:

- Identify the entities with which you were employed or otherwise associated when you gained the knowledge or experience and describe briefly the business or mission of those entities (e.g., "investment bank," "law firm," etc.).
- Identify the positions you have held with those entities and describe your major accomplishments in those positions with respect to the relevant areas.

OTHER MATTERS

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16. **Personal Integrity.** Is there anything in your background that might cause a reasonable person to question your personal integrity, your ability to fulfill the fiduciary duties of a board director, or your competence to supervise the management of the Bank (issues of concern could include, but are not limited to: past felony convictions or pending felony charges; any findings by a court or administrative body that you have violated federal or state civil laws relating to securities, banking, housing, or real estate; suspension or revocation of a professional license; a personal or business bankruptcy filing; [a foreclosure action](#); or having been the subject of a tax lien)?
 Yes No

If you answered Yes, please fully describe the incidents, the timeframes in which they occurred, and their ultimate disposition and provide supporting documentation where appropriate.

17. **Conflicts of Interest.** Other than any relationships described in response to Questions [7](#) – [8](#), do you or, to your knowledge, do any of your immediate family members (*i.e.*, a parent, sibling, spouse, child, other dependent, or any relative sharing your residence) or close business associates (*i.e.*, a corporation or organization of which you are an officer or a partner, or in which you own more than ten percent of any class of equity security (including subordinated debt); an individual that is an officer or a partner of, or who owns more than ten percent of any class of equity security (including subordinated debt) in, such a corporation or organization; or a trust in which you have a substantial interest or serve in a fiduciary capacity) have any financial interests or other relationships that might create actual or apparent conflicts of interest or might otherwise lead a reasonable person to question your ability to administer the affairs of the Bank fairly and impartially? Yes No

If you answered Yes, please fully describe the nature of those interests or relationships, the individuals or entities involved, and their relationship to you.

By executing this form, you are certifying that:

- The information you have provided is true, correct, and complete to the best of your knowledge;
- [You agree that the Bank and the Federal Housing Finance Agency may perform a background check on you, including without limitation regarding any information disclosed herein.](#)
- You understand that you have a continuing obligation to inform the Bank of any facts that may call into question your eligibility or ability to serve as a Bank director; and
- If you are nominated and elected to serve as a director:
 - You and your spouse will relinquish any positions that the Bank determines to be prohibited by the statutory and regulatory independence requirements for independent directors; and
 - You will regularly attend the meetings of the board of directors and the board committees to which you are assigned and will devote the time necessary to adequately prepare for those meetings and execute your other responsibilities as an independent director.

Signature:

Dated:

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INSTRUCTIONS

The Federal Home Loan Bank of [TO BE COMPLETED BY EACH BANK] (Bank) is required by law to solicit information from its incumbent directors annually to verify that each director remains in compliance with the applicable statutory and regulatory eligibility requirements. Your responses to the questions on this **Federal Home Loan Bank Independent Director Annual Certification Form** will assist the Bank in verifying that you continue to meet the eligibility requirements that apply to the independent directorship in which you are currently serving.

Please complete and execute this Form and return it to the Bank on or before [MARCH 1, {CURRENT YEAR} (or, if 3/1 is not a business day, THE NEXT BUSINESS DAY FOLLOWING 3/1)]. If you fail to submit a completed and executed form by that date, or if you submit a form that does not adequately demonstrate that you continue to meet all applicable eligibility requirements, the Bank may determine that you are ineligible to serve, in which case the Bank would be required by law to declare your directorship vacant.

You are eligible to serve as an independent director of the Bank only if you meet all of the following requirements:

- You are a citizen of the United States.
- You are a *bona fide* resident of the Bank District, as determined by meeting either one of the following two sets of criteria:
 - Your principal residence is located in the Bank District; or
 - You both:
 - Own or lease in your own name a residence in the Bank District; and
 - Are employed in a voting state in the Bank District.
- Neither you nor your spouse are:
 - An officer of any Federal Home Loan Bank; or
 - An officer, employee, or director of any member of, or recipient of advances from, or issuer of bonds purchased by, the Bank. For purposes of this prohibition:
 - “Advances” includes any form of lending, regardless of whether it is denominated as an “advance”; ~~and~~
 - “Member” and “recipient of advances” include the institution itself and the institution’s holding company, except where the assets of all members or all recipients of advances constitute less than 35 percent of the assets of the holding company, on a consolidated basis; and
 - “Issuer of bonds purchased by the Bank” includes . . .

These eligibility requirements may be found in sections 7(a) and (b) of the Federal Home Loan Bank Act (Bank Act), 12 U.S.C. §§ 1427(a), (b), and in FHFA’s regulations at 12 CFR 1261.5(c) and 1261.10.

Commented [DMD1]: Define whether the prohibition would apply to any bond purchase (e.g., privately negotiated or via an open-market purchase) and at what level.

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YOUR PERSONAL INFORMATION

Please provide your personal information as indicated in Questions 1 – 4.

1. **Full name:**

2. **Other names currently or formerly used, or known by:**

3. **Contact information:**

- Phone number (leave room for multiple; indicate home, office, or cell); E-mail address
- Mailing address: Number/Street (or PO Box), City, State, Zip Code

4. **Current employment, if applicable:**

- Name of your current employer; Your title or position
- Your contact information at your place of employment:
 - Phone number; E-mail address
 - Number/Street, City, State, Zip Code

ELIGIBILITY REQUIREMENTS

Please answer Questions 5 – 8, regarding your eligibility to serve as an independent director in full.

CITIZENSHIP AND RESIDENCY

You must meet the legal requirements as to U.S. citizenship and Bank District residency to be eligible for nomination for an independent directorship.

5. **Citizenship.** Are you a citizen of the United States? ___ Yes ___ No

6. **Residency.**

A. Do you own or lease a residence within the Bank District? ___ Yes ___ No

If you answered No to Question 6A, you do not meet the residency requirement.

B. If you answered Yes to Question 6A, please provide the street address of your residence within the Bank District: (Number/Street, City, State, Zip Code)

C. Is the address provided in response to Question 6B your principal residence?
___ Yes ___ No

If you answered Yes to Question 6C, you meet the residency requirement.

If you answered No to Question 6C, you may still meet the residency requirement if you are employed within the Bank District. Please continue with Question 6D to indicate your in-District employment status.

D. Are you employed within the Bank District? ___ Yes ___ No

E. If you answered Yes to Question 6D, please identify your in-District employer:

- ___ Check if your in-District employment information is the same as that entered in response to Question 4.
- ___ Check if your in-District employment information is different from that entered in response to Question 4, then provide the following information:

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- Name of your in-district employer; Your title or position
- Number/Street, City, State, Zip Code

INDEPENDENCE

The information you provide below will enable the Bank to determine whether you continue to meet the independence requirements. ~~You may be nominated if you do not currently meet the independence requirements, but~~ You must agree as part of the certification at the end of this form that you and your spouse will relinquish any positions that the Bank determines to be prohibited under those requirements. ~~If elected, you may not be seated as an independent director so long as you or your spouse hold any such prohibited positions and, once seated, You~~ would become ineligible to continue to serve as an independent director if you or your spouse were to take any such prohibited positions.

6-7. Employment by a Federal Home Loan Bank.

- A. Are you or your spouse an employee of any Federal Home Loan Bank? ___ Yes ___ No
- B. If you answered Yes to Question 7A, please provide the following information for each such position held by you or your spouse:
- Name of the person holding the position:
 - Federal Home Loan Bank of:
 - Position or Title:
 - Dates held:

7-8. Employment by a Bank Member, Housing Associate, or Holding Company.

- A. Are you or your spouse an officer of any Federal Home Loan Bank, an officer, director, or employee of a member of the Bank, a recipient of advances, an issuer of bonds purchased by the Bank, an entity certified as a housing associate of the Bank, or a holding company that controls one or more members or housing associates of the Bank? ___ Yes ___ No
- B. If you answered Yes to Question 8A, please provide the following information for each such position held by you or your spouse:
- Name of the person holding the position:
 - Name of the employer:
 - Check the appropriate response below to indicate whether the employer is:
 - ___ a member
 - ___ a holding company of a member
 - ___ an FHLBank
 - ___ an issuer of bonds purchased by the Bank
 - ___ a housing associate
 - ___ a holding company of a housing associate
 - Position or Title:
 - Dates held:
 - If the employer is a holding company or issuer of bonds purchased by the Bank:
 - Indicate the total assets of the holding company;
 - ___ Indicate the total assets of each member or housing associate of the Bank controlled by the holding company;
 - Indicate the type of bond issued and amount purchased; and

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- Provide, or direct the Bank to, documentation to support those amounts.

By executing this form, you are certifying that the information you have provided is true, correct, and complete to the best of your knowledge and that you understand that you have a continuing obligation to inform the Bank of any facts that may call into question your eligibility or ability to serve as a Bank director. [You further agree that the Bank and the Federal Housing Finance Agency may perform a background check on you, including and without limitation regarding any information disclosed herein.](#)

Signature:

Dated: