

On May 25, 2011 representatives of the Federal Housing Finance Agency (FHFA) addressed a session of the Federal Home Loan Bank (FHLBank) Chief Financial Officer Conference during which the joint proposed rule on margin and capital requirements for uncleared swaps was discussed. Representatives from the FHLBanks indicated that they would be submitting written comments on the proposed rule but sought additional background information and clarification on some of the proposed provisions. The topics raised by the FHLBanks included the requirements in proposed section 1221.11(d) concerning segregation of variation margin that FHFA regulated entities post to swap dealers, the initial margin model requirements in proposed section 1221.11(e), and the proposed list of collateral that can be posted as margin set forth in section __.6 of the joint rule.