



No: 2000-51
Date: December 28, 2000

FEDERAL HOUSING FINANCE BOARD

Annual Adjustment of the Community Financial Institution Asset Limit and Federal Home Loan Bank Directors' Compensation Limits

WHEREAS, section 2(13)(B) of the Federal Home Loan Bank Act (Bank Act) (12 U.S.C. § 1422(13)(B)), as amended by the Gramm-Leach-Bliley Act (GLB Act) (Pub. Law No. 106-102, 133 Stat. 1338 (Nov. 12, 1999)), and section 900.1 of the Federal Housing Finance Board (Finance Board) regulations (12 C.F.R. § 900.1) require the Finance Board to adjust annually the limit in average total assets (CFI Asset Cap) set forth in section 2(13)(A)(ii) of the Bank Act (12 U.S.C. § 1422(13)(A)(ii)) and section 900.1 of the Finance Board regulations that defines a "community financial institution" (CFI), based on the annual percentage increase, if any, in the Consumer Price Index for all urban consumers, as published by the Department of Labor; and

WHEREAS, section 7(i)(2)(B) of the Bank Act (12 U.S.C. § 1427(i)(2)(B)), as amended by the GLB Act, and section 918.3(a)(1) of the Finance Board regulations (12 C.F.R. § 918.3(a)(1)), require the Finance Board, beginning January 1, 2001, to adjust annually the compensation limits set forth in section 7(i)(2)(A) of the Bank Act (12 U.S.C. § 1427(i)(2)(A)) and section 918.3(a)(1) of the Finance Board regulations, for members of the boards of directors of the Federal Home Loan Banks (Banks) based on the annual percentage increase, if any, in the Consumer Price Index for all urban consumers, as published by the Department of Labor; and

WHEREAS, the Department of Labor releases the Consumer Price Index, U.S. City Average for All Items 1982-1984=100, for all urban consumers (CPI-U) for each month approximately two weeks after the end of that month; and

WHEREAS, the Department of Labor encourages the use of CPI-U data that has not been seasonally adjusted in "escalation agreements" because seasonal factors are updated annually and the seasonally adjusted data are subject to revision for up to five years following the original release; the unadjusted data are not routinely subject to revision, and previously published unadjusted data are only corrected when significant calculation errors are discovered;

NOW, THEREFORE, IT IS RESOLVED THAT, pursuant to section 2 of the Bank Act and section 900.1 of the Finance Board regulations, and based on the unadjusted November 2000 CPI-U data, beginning January 1, 2001, the CPI-U-adjusted CFI asset cap for 2001 shall be \$517 million;

IT IS FURTHER RESOLVED THAT, pursuant to section 7(i) of the Bank Act and section 918.3 of the Finance Board regulations, and based on the unadjusted November 2000 CPI-U data, beginning January 1, 2001, the following CPI-U adjusted limits on annual compensation shall apply to the listed members of the boards of directors of the Banks: for a Chairperson -- \$25,850; for a Vice-Chairperson -- \$20,680; for any other member of a Bank's board of directors -- \$15,510.

By the Board of Directors
of the Federal Housing Finance Board

/s/ William C. Apgar

William C. Apgar
HUD Secretary's Designee to the Board