



# NEWS

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## **Federal Housing Finance Board Approves The Publication Of A Proposed Federal Home Loan Bank Rating System**

The Board of Directors of the Federal Housing Finance Board (Finance Board) today approved a request by the Office of Supervision to publish in the Federal Register a notice seeking comments on a proposed Federal Home Loan Bank Rating System (Rating System). Under the Office of Supervision's proposal, each Federal Home Loan Bank (Bank) will be assigned a composite rating based on an evaluation and rating of five key components: corporate governance, market risk, credit risk, operational risk, and financial condition and performance.

The proposal will be published in the Federal Register and open for public comment for 30 days following publication. It is contemplated that the Rating System will be implemented with examination beginning after January 1, 2007.

Also today, the Board of Directors voted to make final a rule incorporating amendments to the Affordable Housing Program, approved the agency's operational budget for fiscal year 2007, and adopted a strategic plan covering fiscal years 2007-2012 and a performance budget covering fiscal year 2007.

In general, the changes to the Affordable Housing Program rule are intended to streamline and reorganize the regulation. The proposed amendments were published in the Federal Register on December 28, 2005 and were open for public comment for 45 days. The final rule will become effective on January 1, 2007.

The Finance Board's budget for fiscal year 2007 of approximately \$36 million will ensure that the agency has adequate financial resources to fulfill its mission of ensuring that the 12 Banks operate in a safe and sound manner and fulfill their housing-finance mission. The strategic plan and annual performance budget set out the agency's mission, vision, values, and strategic goals and identify the initiatives the Finance Board will undertake to achieve its goals, its performance outcomes, and performance measures to monitor achievement of those goals.

The Federal Housing Finance Board is a non-appropriated agency that assesses the Federal Home Loan Banks for the costs of its operations.

*The Federal Housing Finance Board is an independent agency in the executive branch that oversees the safety, soundness, and mission of the 12 regional Federal Home Loan Banks. The Banks are government-sponsored enterprises created in 1932 to provide low-cost funding for housing finance. They have more than 8,100 financial institutions as members, including commercial banks, savings and loans, insurance companies and federally insured credit unions. More information can be found at <http://www.FHFB.gov>*

