

section are mailed unless the member complies with the requirements of this part before the end of the 30-day period.

(d) *Removing restrictions.* (1) The Finance Board may remove restrictions on a member's access to long-term advances imposed under this section:

(i) If the Finance Board determines that application of the restriction may adversely affect the safety and soundness of the member. A member may submit a written request to the Finance Board to remove a restriction on access to long-term advances under this paragraph (d)(1)(i). Such written request shall contain a clear and concise statement of the basis for the request, and a statement that application of the restriction may adversely affect the safety and soundness of the member from the member's appropriate federal financial supervisory agency, or the National Credit Union Administration for a federally insured credit union member, or the member's *appropriate state regulator* for a member that is not subject to regulation or supervision by a federal regulator. The Finance Board shall consider each written request within 30 calendar days of receipt. For purposes of this paragraph (d)(1)(i), the term *appropriate state regulator* means any state officer, agency, supervisor, or other entity that has regulatory authority over, or is empowered to institute enforcement action against, a member.

(ii) If the Finance Board determines that the member subsequently has complied with the requirements of this part. A member may submit a written request to the Finance Board to remove a restriction on access to long-term advances under this paragraph (d)(1)(ii). Such written request shall state with specificity how the member has complied with the requirements of this part. The Finance Board shall consider each written request within 30 calendar days of receipt.

(2) The Finance Board shall place a member on probation in accordance with § 936.3(b)(2), if:

(i) The member's access to long-term advances was restricted on the basis of the member's inadequate performance under the CRA standard, as described in § 936.3(b)(3);

(ii) The rating in the member's subsequent CRA evaluation is "needs to improve;" and

(iii) The member did not receive either a "substantial noncompliance" CRA rating or a "needs to improve" CRA rating immediately preceding the CRA rating on which the member's inadequate performance under the CRA standard was based.

(3) The Finance Board shall provide written notice to the member and the member's Bank of its determination under this paragraph (d), the member by certified mail, return receipt requested, and the member's Bank by facsimile and by regular mail. The Finance Board's determination shall take effect on the date the notices are mailed.

(e) *AHP and CIP.* A member that is subject to a restriction on access to long-term advances under this part shall not be eligible to participate in the Affordable Housing Program or the Community Investment Program. The restriction in this paragraph (e) shall not apply to AHP or CIP applications or funding approved before the date the restriction is imposed.

(The Office of Management and Budget approved the information collection requirements contained in this section and assigned control number 3069-0003 with an expiration date of December 31, 1999.)

[62 FR 28988, May 29, 1997, as amended at 62 FR 46872, Sept. 5, 1997]

#### **§ 936.6 Bank community support programs.**

(a) *Requirement.* Consistent with the safe and sound operation of the Bank, each Bank shall establish and maintain a community support program. A Bank's community support program should:

(1) Provide technical assistance to members;

(2) Promote and expand community-oriented mortgage lending and affordable housing finance;

(3) Identify opportunities for members to expand financial and credit services in underserved neighborhoods and communities; and

(4) Encourage members to increase their community-oriented mortgage lending and affordable housing finance activities by providing incentives such

## § 936.7

as awards or technical assistance to nonprofit housing developers or community groups with outstanding records of participation in community-oriented lending or affordable housing finance partnerships with members.

(b) *Advisory Councils.* A Bank shall consult with its Advisory Council to develop and implement initiatives to increase community-oriented mortgage lending and affordable housing finance activities in the Bank district.

(c) *Notice.* A Bank shall provide annually to each of its members a written notice:

(1) Identifying AHP, CIP, and other Bank activities that may provide opportunities for a member to meet the community support requirements; and

(2) Summarizing community-oriented mortgage lending and affordable housing finance activities undertaken by members, nonprofit housing developers, community groups, or other entities in the Bank's district, that may provide opportunities for a member to meet the community support requirements.

## § 936.7 Reports.

The annual report Advisory Councils are required to submit to the Finance Board pursuant to section 10(j)(11) of the Act shall include an analysis of the appropriate Bank's community support program and activities.

## PARTS 937-940 [RESERVED]

## PART 941—OPERATIONS OF THE OFFICE OF FINANCE

Sec.

941.1 Definitions.

941.2 General.

941.3 Federal Housing Finance Board oversight.

941.4 Office of Finance.

941.5 Functions of the Office of Finance.

941.6 Director of the Office of Finance.

941.7 Office of Finance Board of Directors.

941.8 Powers of the Office of Finance Board of Directors.

941.9 Duties of the Office of Finance Board of Directors.

941.10 Meetings of the Office of Finance Board of Directors.

941.11 Budget, funding and expenses.

941.12 Savings clause.

AUTHORITY: 12 U.S.C. 1422b, 1431.

## 12 CFR Ch. IX (1-1-98 Edition)

SOURCE: 57 FR 2834, Jan. 24, 1992, unless otherwise noted.

### § 941.1 Definitions.

In this part, the following terms mean:

*Bank.* A Federal Home Loan Bank.

*Bank Act.* The Federal Home Loan Bank Act.

*Bank System.* The Federal Home Loan Bank System, consisting of the twelve Federal Home Loan Banks and including the Office of Finance as a joint office of the Federal Home Loan Banks.

*Chair.* The Chairperson of the Office of Finance Board of Directors.

*Consolidated obligation.* A Federal Home Loan Bank consolidated debenture, bond or note issued under authority of section 11 of the Federal Home Loan Bank Act, as amended (12 U.S.C. 1431).

*Director.* The Director of the Office of Finance.

*Finance Board.* The Federal Housing Finance Board.

*OF Board of Directors.* The three member administrative body responsible for management of the Office of Finance.

### § 941.2 General.

This part reorganizes the Office of Finance, a joint office of the Bank System, establishes the OF Board of Directors as the body responsible for the management and operations of the Office of Finance, and defines their respective duties and responsibilities.

### § 941.3 Federal Housing Finance Board oversight.

(a) Section 12(a) of the Bank Act (12 U.S.C. 1432(a)) provides that all activities of a Bank are subject to the approval of the Finance Board. The Finance Board retains the same oversight authority over the Office of Finance and the OF Board of Directors as it has over a Bank and its respective board of directors.

(b) Pursuant to section 20 of the Bank Act (12 U.S.C. 1440), the Finance Board shall audit and examine the Office of Finance, the OF Board of Directors and the Office of Finance Operations Imprest Fund.