SUBCHAPTER J—NEW FEDERAL HOME LOAN BANK
ACTIVITIES

PART 980—NEW BUSINESS
ACTIVITIES

EFFECTIVE DATE NOTE: At 75 FR 76622, Dec. 9, 2010, part 980 was redesignated part 1272, effective Jan. 10, 2011.

Sec.

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AUTHORITY: 12 U.S.C. 1422a(a)(3), 1422b(a), 1431(a), 1432(a).

SOURCE: 65 FR 44431, July 18, 2000, unless otherwise noted.

EDITORIAL NOTE: Nomenclature changes to part appear at 75 FR 76624, Dec. 9, 2011.

EFFECTIVE DATE NOTE: At 75 FR 76622, Dec. 9, 2010, redesignated §1272.1 was amended by adding in correct alphabetical order definitions for "Bank," "Bank Act" and "FHFA," effective Jan. 10, 2011. For the convenience of the user, the added text is set forth as follows:

§ 1272.1 Definitions.

* * * * *


FHFA means the Federal Housing Finance Agency.

§ 980.2 Limitation on Bank authority to undertake new business activities.

No Bank shall undertake any new business activity except in accordance with the procedures set forth in this part.

§ 980.3 New business activity notice requirement.

At least sixty days prior to undertaking a new business activity, except as provided in §980.4(b), a Bank shall submit to the Finance Board a written notice containing the following information:

(a) General requirements. Except as provided in paragraph (b) of this section, a Bank’s notice of new business activity shall include:

(1) An opinion of counsel citing the statutory, regulatory, or other legal authority for the new business activity;

(2) A good faith estimate of the anticipated dollar volume of the activity over the short-and long-term;

(3) A full description of:

(i) The purpose and operation of the proposed activity;

(ii) The market targeted by the activity;

(4) Involves operations not previously undertaken by that Bank.

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(3) A full description of:

(i) The purpose and operation of the proposed activity;

(ii) The market targeted by the activity;

(4) Involves operations not previously undertaken by that Bank.
§ 980.4 Commencement of new business activities.

A Bank may commence a new business activity:

(a) Sixty days after receipt by the Finance Board of the notice of new business activity under §980.3, if the Finance Board has not issued to the Bank a notice as described in §980.5(a)(1) through (4);

(b) In the case of the acceptance of collateral enumerated under §950.7(a)(4) of this chapter, immediately upon receipt by the Finance Board of a notice of new business activity under §980.3; or

(c) Immediately upon issuance by the Finance Board of a letter of approval under §980.6.

§ 980.5 Notice by the Finance Board.

(a) Issuance. Within sixty days after receipt of a notice of new business activity under §980.3, the Finance Board may issue to a Bank a notice that:

(1) Disapproves the new business activity;

(2) Instructs the Bank not to commence the new business pending further consideration by the Finance Board;

(3) Declares an intent to examine the Bank;

(4) Requests additional information including but not limited to the requests listed in §980.7;

(5) Establishes conditions for the Finance Board’s approval of the new business activity, including but not limited to the conditions listed in §980.7; or

(6) Contains other instructions or information that the Finance Board deems appropriate under the circumstances.

(b) Effect. Following receipt of a notice issued pursuant to paragraph (a) of this section, a Bank may not undertake any new business activity that is the subject of the notice until the Bank has received the Finance Board’s consent pursuant to §980.6.

§ 980.6 Finance Board consent.

The Finance Board may at any time provide consent for a Bank to undertake a particular new business activity and setting forth the terms and conditions that apply to the activity, with which the Bank shall comply if the Bank undertakes the activity in question.

§ 980.7 Examinations; requests for additional information.

(a) General. Nothing in this part shall limit in any manner the right of the Finance Board to conduct any examination of any Bank.

(b) Requests for additional information and conditions for approval. With respect to a new business activity, nothing in this part shall limit the right of the Finance Board at any time to: