



## STATUTORY ELIGIBILITY REQUIREMENTS

An individual must satisfy certain statutory requirements in order to be eligible for appointment to the board of a Federal Home Loan Bank (Bank). Those requirements relate to citizenship, residency, and, for prospective community interest directors, experience in that field. The statute also prohibits an appointive director from having any financial interest in an institution that is a member of the Bank on whose board the director serves. The questions below address these statutory requirements.

**1. *Citizenship.*** Are you a citizen of the United States?      **Yes** \_\_\_ **No** \_\_\_

**2. *Residency.*** In order to be an appointed director you must be a bona fide resident of a state that is within the geographic district of the Bank on whose board you wish to serve. You will satisfy this requirement if your principal residence is located within that geographic district, or if you own or lease a second residence within the district *and* are employed within the district. Please indicate which basis you are using to demonstrate bona fide residence.

Is your principal residence located within the Bank's geographic district?      **Yes** \_\_\_ **No** \_\_\_

If you answered **No**, do you own or lease a second residence within the Bank's district *and* are you employed within the district?      **Yes** \_\_\_ **No** \_\_\_

If so, please provide the address of the second home and the name and address of your employer.

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**3. *Community Interest Directors.*** If you are seeking appointment as a community interest director, you also must be able to demonstrate that you are a director, officer, employee, or member of an organization that has represented consumer or community interests on banking services, credit needs, housing, or financial consumer protections for at least two years.

If you meet this requirement, provide the name and address of the organization, specify your association with the organization, and describe how the organization represents consumer or community interests.

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**Name of organization**

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**Your title or position**

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**Street**

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**City**

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**State**

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**Zip code**

Describe how the organization represents consumer or community interests:

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**4. *Conflicts of interest.*** The statute prohibits an appointive director from serving as an officer or director of any member of the Bank on whose board the director serves, and from owning any shares or other financial interest in any member of the Bank on whose board the directors serves. If you have any such financial interests, you will have to divest them before you can become a director of the Bank.

For purposes of this conflict of interest provision, the term “member” includes the member institution itself, as well as any subsidiary, holding company, and affiliate. Thus, you may not own bank holding company stock or bonds if a subsidiary of the holding company is a member of your Bank.

The term “financial interest” is broadly defined, and includes any “direct or indirect financial interest in any activity, transaction, property, or relationship that involves receiving or providing something of monetary value,” and “any right, contractual or otherwise, to the payment of money.” Finance Board regulations exclude from this prohibition financial interests that arise in the normal course of business with a member and are on terms generally available to the public, such as having money on deposit with, or obtaining a loan from, a financial institution that is a member of your Bank. Other types of business relationships with a Bank member – such as engaging in a joint venture or providing goods or services – may constitute a prohibited “financial interest” for these purposes.

A “direct” financial interest includes any interests that you hold in your own name, either as a sole or joint owner. An “indirect” financial interest includes other situations where you have a beneficial interest or the interest is held by a member of your immediate family. Thus, the financial interests of your spouse or minor child generally will be attributed to you, as will interests held through a trust or similar arrangement. Because indirect interests often present complex factual situations, you may wish to consult with Bank or Finance Board staff to determine whether particular interests must be disclosed and/or divested. Ownership of shares of a registered investment company (mutual fund) that owns debt or equity instruments issued by a member is not barred by this prohibition.

A. If you own any equity or debt securities issued by a member of the Bank on whose board you would serve, or have any other financial interest in a member of that Bank, please list those interests below.

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B. Do you agree to divest such interests before becoming an appointive director of that Bank? **Yes** \_\_\_ **No** \_\_\_

### **SELECTION CRITERIA**

The Banks are multi-billion dollar financial institutions, the principal business of which is to borrow funds in the capital markets and then provide secured loans to their members. The size and nature of the Banks' business requires that each Bank have a board of directors that possesses expertise in areas such as capital markets transactions, asset/liability management, the use of derivatives, accounting and financial modeling, mortgage markets, affordable housing, community investment, and legal/regulatory compliance. In making appointments to the boards of the Banks, the Finance Board seeks persons who have broad business leadership experience, are financially literate, and have a commitment to serving on the board, as well as experience in one or more of the above areas.

**1. Leadership Experience.** Bank directors should have experience in senior management or policy-making in one or more fields of business, government, education, or community/civic affairs, and should have a record of achievement in their chosen profession or field of business. This experience should provide directors with the ability to understand the business of the Bank, to act independently, and to ask Bank management appropriate questions about how they are conducting Bank business.

A. If you have ever served as the CEO, CFO, COO, or in a similar capacity for a business enterprise, or as a dean or senior faculty member at a prominent college or university, or as a senior official for a federal or state government or prominent nonprofit organization, please provide the details for those positions, including the dates of service and the positions held.

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B. If you have other experience dealing with issues such as developing or implementing business strategies, overseeing regulatory compliance, corporate governance, or board operations, or have previously served on the board of a large business enterprise, please describe those experiences.

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C. If you have other significant business or professional achievements that demonstrate your ability to lead an organization please describe them.

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**2. Business Knowledge.** Bank directors must be financially literate, meaning that they must be familiar with how financial statements and various financial ratios are used in managing a business enterprise, how basic accounting conventions apply to the Bank, and how internal controls are used to manage risk. They also must have some knowledge about one or more of the areas of the Bank's business, such as mortgage finance, capital markets transactions, accounting/modeling practices, affordable housing, community and economic development, and legal and regulatory compliance.

A. Do you know how to read and understand a financial statement, and do you understand how financial ratios and other indices are used for evaluating the performance of a business enterprise? **Yes** \_\_\_ **No** \_\_\_

If you answered **Yes**, please describe the setting in which you gained that knowledge.

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B. Do you have a working familiarity with basic finance and accounting practices, including internal controls and risk management? **Yes** \_\_\_ **No** \_\_\_

If you answered **Yes**, please describe the setting in which you acquired that knowledge.

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C. Do you have experience with financial accounting and corporate finance, particularly with a publicly traded company? **Yes** \_\_\_ **No** \_\_\_

If you answered **Yes**, please describe that experience.

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D. Do you have experience in capital market transactions? **Yes** \_\_\_ **No** \_\_\_

If you answered **Yes**, please describe that experience.

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E. Do you have experience in an organization providing financing for residential mortgages, housing for low or moderate income individuals and families, or real estate development? **Yes** \_\_\_ **No** \_\_\_

If you answered **Yes**, please describe that experience.

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F. Have you served in any position that required an understanding of the legal and other fiduciary obligations associated with being an independent director? **Yes** \_\_\_ **No** \_\_\_

If you answered **Yes**, please describe that experience.

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G. The mission of the Banks is to support the housing finance activities of their members, which includes residential mortgage finance and community and economic development lending activities. Please describe any prior experience that is related to the mission of the Banks.

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**3. Commitment to Service.** In order to serve effectively on the board of a Bank, a director must be able to attend the meetings of the board of directors and subcommittees on which the director serves, and to devote the time necessary to prepare for those meetings.

A. Do you have any other business or professional commitments that would hinder your ability to prepare for and attend board of director and committee meetings? **Yes** \_\_\_ **No** \_\_\_  
If so, please describe the constraints on your ability to serve.

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B. If you serve on any other corporate boards, please provide the name and location of the organization, your role (*e.g.*, chair and committee assignments), and the term of service.

Name of organization	Your role	Term
_____	_____	_____
Name of organization	Your role	Term
_____	_____	_____
Name of organization	Your role	Term
_____	_____	_____

**4. Personal Integrity.** Character is an important consideration in evaluating any prospective Bank director. All directors must have high ethical standards and integrity in both their personal and professional dealings. Please indicate whether you ever have been convicted of a felony, been found to have violated any federal or state civil laws relating to the securities, banking, housing or real estate industries, or have had a professional license suspended or revoked. **Yes** \_\_\_ **No** \_\_\_ If you answered **Yes**, please explain.

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**5. Independence.** It is essential that an appointive director be able act independently of management in overseeing the policy and operations of a Bank, and not have any relationships that may create actual or apparent conflicts of interest. Please disclose whether you have any familial or business relationships with any members of Bank management or the board of directors of the Bank, and any other relationship(s) that might lead a reasonable person to question your independence. **Yes \_\_\_ No \_\_\_**

If you answered **Yes**, please explain below.

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**6. Other Experience and Education.** Please provide a copy of your resume that describes other business, professional, or educational achievements that are not described in the responses to the questions above.

**BY EXECUTING AND SUBMITTING THIS APPLICATION FORM, YOU ARE CERTIFYING THAT THE INFORMATION YOU PROVIDED IS TRUE, CORRECT, AND COMPLETE TO THE BEST OF YOUR KNOWLEDGE AND THAT YOU AGREE TO SERVE AS A DIRECTOR IF APPOINTED.**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date