

[DISCUSSION DRAFT]

119TH CONGRESS
2D SESSION

H. R. _____

To amend the Federal Home Loan Bank Act to clarify that the statutory requirements for Federal Home Loan Bank membership are determined at the time of application and are not ongoing requirements unless expressly provided by statute.

IN THE HOUSE OF REPRESENTATIVES

M____ introduced the following bill; which was referred to the
Committee on _____

A BILL

To amend the Federal Home Loan Bank Act to clarify that the statutory requirements for Federal Home Loan Bank membership are determined at the time of application and are not ongoing requirements unless expressly provided by statute.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Federal Home Loan
5 Bank Membership Clarification Act”.

1 **SEC. 2. CLARIFICATION OF MEMBERSHIP REQUIREMENTS**
2 **UNDER THE FEDERAL HOME LOAN BANK**
3 **ACT.**

4 Section 4 of the Federal Home Loan Bank Act (12
5 U.S.C. 1424) is amended by adding at the end the fol-
6 lowing:

7 “(d) DIRECTOR REGULATION OF MEMBERS.—The
8 requirements for membership under this section shall be
9 determined at the time an institution applies for member-
10 ship in a Federal Home Loan Bank and, once the applica-
11 tion has been approved, such requirements shall not con-
12 stitute ongoing conditions of membership unless expressly
13 provided otherwise in this Act. Except as otherwise ex-
14 pressly provided in this Act, the Director, acting as safety
15 and soundness regulator of the Federal Home Loan
16 Banks, may not directly regulate a member, or indirectly
17 regulate a member through any regulation, order, advisory
18 bulletin, guidance, or other directive applicable to a Fed-
19 eral Home Loan Bank, so as to establish balance sheet
20 asset standards or other business or investment require-
21 ments for a member, its holding company, its affiliates,
22 or its investors.”.