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(b) *Eligibility requirements.* Each elective director, and each nominee, shall be:

(1) A citizen of the United States;

(2) An officer or director of a member that is located in the voting state to be represented by the elective directorship, that was a member of the Bank as of the record date, and that meets all minimum capital requirements established by its appropriate Federal banking agency or appropriate state regulator.

(c) *Restrictions.* (1) A nominee is not eligible if he or she:

(i) Is an incumbent elective director, unless:

(A) The incumbent director's term of office would expire before the new term of office would begin; and

(B) The new term of office would not be barred by the term limit provision of section 7(d) of the Act (12 U.S.C. 1427(d)).

(ii) Is a former elective director whose service would be barred by the term limit provision of section 7(d) of the Act; or

(iii) Is an incumbent appointive director.

(2) For purposes of applying the term limit provision of section 7(d) of the Act (12 U.S.C. 1427(d)), a term of office that has been adjusted to a period of less than three years in accordance with §915.17(a)(2) shall not be deemed to be a full term.

(d) *Loss of eligibility.* (1) An elective director shall become ineligible to remain in office if, during his or her term of office, the stock directorship to which he or she has been elected is eliminated or is redesignated by the Finance Board as representing members located in another state, in accordance with §915.3(b). The incumbent director shall become ineligible after the close of business on December 31 of the year in which the directorship is redesignated or eliminated.

(2) In the case of a redesignation to another state, the stock directorship shall become vacant after the close of business on December 31 of the year in which the directorship is redesignated and the resulting vacancy shall be filled by the board of directors of the Bank for the remainder of the unexpired term with a person who is an offi-

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cer or director of a member located in the newly designated state, pursuant to section 7(f) of the Act (12 U.S.C. 1427(f)).

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§915.8 Election process.

(a) *Ballots.* Promptly after verifying the eligibility of all nominees in accordance with §915.7(a), a Bank shall prepare a ballot for each voting State for which an elective directorship is to be filled and shall mail the ballot to all members within that State that were members as of the record date.

(1) A ballot shall include at least the following provisions:

(i) An alphabetical listing of the names of each nominee for the member's voting state, the name, location, and FHFID ID number of the member each nominee serves, the nominee's title or position with the member, and the number of elective directorships to be filled by members in that voting state in the election;

(ii) A statement that write-in candidates are not permitted; and

(iii) A confidentiality statement prohibiting the Banks from disclosing how a member voted.

(2) At the election of the Bank, a ballot also may include, in the body or as an attachment, a brief description of the skills and experience of each individual nominee.

(b) *Statement on skills and experience.* If a Bank has conducted an annual assessment permitted by §915.9 and has included the results of the assessment as part of the notice to members required by §915.6(a), it may include with each ballot a statement regarding the types of skills and experience the Bank has determined are most likely to add strength to the board of directors. If the statement differs from the statement provided under §915.6(a)(3), the Bank also shall include an explanation of why the statements differ.

(c) *Lack of nominees.* If, for any voting state, all directorships to be filled in an election are the same with regard to their respective terms and status as

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guaranteed or non-guaranteed directorships, and the number of nominees from that state is equal to or less than the number of such directorships, the Bank shall notify the members in the affected voting state in writing (in lieu of providing a ballot) that the directorships are to be filled without an election due to a lack of nominees. The Bank shall declare elected any eligible nominee, who shall be included as a director-elect in the report of election required under paragraph (e) of this section. If necessary, the Bank's board of directors shall fill any elective directorship that has become vacant due to a lack of a nominee in accordance with §915.14(a).

(d) *Voting.* For each directorship to be filled, a member may cast the number of votes determined by the Bank pursuant to §915.5. A member may not split its votes among multiple nominees for a single directorship, nor, where there are multiple directorships to be filled for a voting State, may it cumulatively vote for a single nominee. Any ballots cast in violation of this subsection shall be void. To vote, a member shall:

(1) Mark on the ballot the name of not more than one of the nominees for each elective directorship to be filled in the member's voting State. Each nominee so selected shall receive all of the votes that the member is entitled to cast.

(2) Execute the ballot by resolution of the member's governing body, or by an appropriate writing signed by an individual authorized to act on behalf of the governing body.

(3) Deliver the executed ballot to the Bank on or before the closing date that has been established by the Bank, which shall be no earlier than 30 calendar days after the date the ballots are mailed in accordance with paragraph (a) of this section. A member may not change a ballot after it has been delivered to the Bank.

(e) *Counting ballots.* A Bank shall not open any ballot until after the closing date, and may not include in the election results any ballot received after the closing date. Promptly after the closing date, each Bank shall tabulate, by each voting State, the votes cast in accordance with paragraph (c) of this

section, and shall declare elected the nominee receiving the highest number of votes.

(1) If more than one elective directorship is to be filled in a voting State, the Bank shall declare elected each successive nominee receiving the next highest number of votes until all open elective directorships for that voting State are filled.

(2) In the event of a tie for the last available seat, the incumbent board of directors of the Bank shall, by a majority vote, declare elected one of the nominees for whom the number of votes cast was tied.

(3) The Bank shall retain all ballots it receives for at least two years after the date of the election, and shall not disclose how any member voted.

(f) *Report of election.* Promptly following the election, each Bank shall provide written notice to its members, to each nominee, and to the Finance Board of the following:

(1) The name of each director-elect, the name and location of the member at which he or she serves, and his or her title or position at the member;

(2) The voting State represented by each director-elect;

(3) The expiration date of the term of office of each director-elect;

(4) The number of members voting in the election and the total number of votes cast, both reported by State; and

(5) The number of votes cast for each nominee.

[63 FR 65690, Nov. 30, 1998, as amended at 65 FR 8259, Feb. 18, 2000; 65 FR 41569, July 6, 2000; 67 FR 12845, Mar. 20, 2002; 71 FR 40647, July 18, 2006]

§915.9 Actions affecting director elections.

(a) *Banks.* Each Bank, acting through its board of directors, may conduct an annual assessment of the skills and experience possessed by the members of its board of directors as a whole and may determine whether the capabilities of the board would be enhanced through the addition of persons with particular skills and experience. If the board of directors determines that the Bank could benefit by the addition to the board of directors of persons with particular qualifications, such as in financial management, accounting,