

Federal Housing Finance Board

§915.9

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,

§915.10

12 CFR Ch. IX (1-1-08 Edition)

hedging, risk management, capital markets, securities laws, or housing finance, it may identify those qualifications and so inform the members as part of the announcement of elections.

(b) *Incumbent Bank directors.* A Bank director acting in his or her personal capacity may support the nomination or election of any person for an elective directorship, provided that no such director may purport to represent the views of the Bank or its board of directors in doing so.

(c) *Prohibition.* Except as provided in paragraphs (a) and (b) of this section, no director, officer, attorney, employee, or agent of a Bank or the Finance Board may:

(1) Communicate in any manner that a director, officer, attorney, employee, or agent of a Bank, directly or indirectly, supports the nomination or election of a particular person for an elective directorship; or

(2) Take any other action to influence votes for a directorship.

[71 FR 40647, July 18, 2006]

§915.10 Selection of appointive directors.

(a) *Bank responsibilities.* (1) On or before October 1st of each year, the board of directors of each Bank shall submit to the Finance Board a list of eligible nominees who are well-qualified to fill the appointive directorships that will expire on December 31st of that year, along with the original Finance Board-prescribed appointive director application form executed by each individual on the list.

(2) If an appointive directorship becomes vacant prior to the expiration of its term, the board of directors of the Bank shall submit to the Finance Board a list of eligible nominees who are well-qualified to fill that directorship, along with each individual's executed appointive director application form, promptly after the vacancy arises.

(3) The number of nominees on any list submitted by a Bank's board of directors pursuant to paragraphs (a)(1) or (2) of this section shall be at least equal to the number of appointive directorships to be filled but shall not exceed 2 times the number of such directorships.

(b) *Finance Board selection.* As provided by the Act, the Finance Board has the sole responsibility for appointing individuals to the boards of directors of the Banks. In exercising that responsibility, the Finance Board shall select from among the nominees on the list submitted by the Bank pursuant to paragraph (a) of this section, provided, however, that if the Finance Board does not fill all of the appointive directorships from the list initially submitted by the Bank, it may require the Bank to submit a supplemental list of nominees for its consideration.

(c) *Prospective applicants.* Any individual who seeks to be appointed to the board of directors of a Bank may submit to the Bank an executed appointive director application form that demonstrates that the individual both is eligible and has business, financial, housing, community and economic development, and/or leadership experience. Any other interested party may recommend to the Bank that it consider a particular individual as a nominee for an appointive directorship, but the Bank may not do so until the individual has provided the Bank with an executed appointive director application form. The board of directors of the Bank may consider any individual for inclusion on the list it submits to the Finance Board provided it has determined that the individual is eligible and well-qualified for an appointive directorship at the Bank.

(d) *Term of office.* The term of office of each appointive directorship is 3 years, except as adjusted pursuant to section 7(d) of the Act (12 U.S.C. 1427(d)) to achieve a staggered board, and shall commence on January 1st. In the case of a discretionary appointive directorship that is terminated pursuant to §915.3(b)(5), the term of office of the directorship shall end after the close of business on December 31st of that year.

(e) *Financial interests.* Except as otherwise provided in this section, an appointive director may not: own any debt or equity securities issued by, or have any other financial interest in, a member of the Bank on whose board the director serves; serve as an officer or director of any member of the Bank on whose board the director serves; or