

## § 925.5

(ii) The consolidated institution provides written notice to such Bank, within 60 calendar days after the effective date of the consolidation, that it desires to be a member of the Bank.

(2) The provisions of § 925.25(b)(4)(i) shall apply, and upon approval of automatic membership by the Bank, the provisions of §§ 925.24(c) and (d) shall apply.

[61 FR 42543, Aug. 16, 1996, as amended at 63 FR 40024, July 27, 1998; 65 FR 8261, Feb. 18, 2000; 65 FR 13870, Mar. 15, 2000; 67 FR 12848, Mar. 20, 2002]

### § 925.5 Appeals.

(a) *Appeals by applicants*—(1) *Filing procedure*. Within 90 calendar days of the date of a Bank's decision to deny an application for membership, the applicant may file a written appeal of the decision with the Finance Board.

(2) *Documents*. The applicant's appeal shall be addressed to the Secretary to the Board, Federal Housing Finance Board, 1777 F Street, NW., Washington, DC 20006, with a copy to the Bank, and shall include the following documents:

(i) *Bank's decision resolution*. A copy of the Bank's decision resolution; and

(ii) *Basis for appeal*. A statement of the basis for the appeal by the applicant with sufficient facts, information, analysis and explanation to rebut any applicable presumptions and otherwise support the applicant's position.

(b) *Record for appeal*—(1) *Copy of membership file*. Upon receiving a copy of an appeal, the Bank whose action has been appealed (appellee Bank) shall provide the Finance Board with a copy of the applicant's complete membership file. Until the Finance Board resolves the appeal, the appellee Bank shall supplement the materials provided to the Finance Board as any new materials are received.

(2) *Additional information*. The Finance Board may request additional information or further supporting arguments from the appellant, the appellee Bank or any other party that the Finance Board deems appropriate.

(c) *Deciding appeals*. The Finance Board shall consider the record for appeal described in paragraph (b) of this section and shall resolve the appeal based on the requirements of the Act and this part within 90 calendar days of

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the date the appeal is filed with the Finance Board. In deciding the appeal, the Finance Board shall apply the presumptions in this part, unless the appellant or appellee Bank presents evidence to rebut a presumption as provided in § 925.17 of this part.

[61 FR 42543, Aug. 16, 1996, as amended at 65 FR 8261, Feb. 18, 2000; 67 FR 12848, Mar. 20, 2002; 70 FR 9510, Feb. 28, 2005]

### Subpart C—Eligibility Requirements

SOURCE: 61 FR 42545, Aug. 16, 1996, unless otherwise noted.

### § 925.6 General eligibility requirements.

(a) *Requirements*. Any building and loan association, savings and loan association, cooperative bank, homestead association, insurance company, savings bank, or insured depository institution, upon application satisfying all of the requirements of the Act and this part, shall be eligible to become a member of a Bank if:

(1) It is duly organized under the laws of any State or of the United States;

(2) It is subject to inspection and regulation under the banking laws, or under similar laws, of any State or of the United States;

(3) It makes long-term home mortgage loans;

(4) Its financial condition is such that advances may be safely made to it;

(5) The character of its management is consistent with sound and economical home financing; and

(6) Its home financing policy is consistent with sound and economical home financing.

(b) *Additional eligibility requirement for insured depository institutions other than community financial institutions*. In order to be eligible to become a member of a Bank, an insured depository institution applicant other than a community financial institution also must have at least 10 percent of its total assets in residential mortgage loans.

(c) *Additional eligibility requirement for applicants that are not insured depository institutions*. In order to be eligible to become a member of a Bank, an applicant that is not an insured depository

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institution also must have mortgage-related assets that reflect a commitment to housing finance, as determined by the Bank in its discretion.

(d) *Ineligibility.* Except as otherwise provided in this part, if an applicant does not satisfy the requirements of this part, the applicant is ineligible for membership.

[61 FR 42545, Aug. 16, 1996, as amended at 65 FR 13870, Mar. 15, 2000; 70 FR 9510, Feb. 28, 2005]

### § 925.7 Duly organized requirement.

An applicant shall be deemed to be duly organized as required by section 4(a)(1)(A) of the Act (12 U.S.C. 1424(a)(1)(A)) and § 925.6(a)(1) of this part, if it is chartered by a state or federal agency as a building and loan association, savings and loan association, cooperative bank, homestead association, insurance company, savings bank or insured depository institution.

[61 FR 42545, Aug. 16, 1996, as amended at 65 FR 8261, Feb. 18, 2000; 67 FR 12848, Mar. 20, 2002; 70 FR 9510, Feb. 28, 2005]

### § 925.8 Subject to inspection and regulation requirement.

An applicant shall be deemed to be subject to inspection and regulation as required by section 4(a)(1)(B) of the Act (12 U.S.C. 1424(a)(1)(B)) and § 925.6(a)(2) of this part, if, in the case of a depository institution applicant, it is subject to inspection and regulation by the FDIC, FRB, NCUA, OCC, OTS, or other appropriate state regulator, and, in the case of an insurance company applicant, it is subject to inspection and regulation by an appropriate state regulator accredited by the National Association of Insurance Commissioners.

[61 FR 42545, Aug. 16, 1996, as amended at 65 FR 8261, Feb. 18, 2000; 67 FR 12848, Mar. 20, 2002; 70 FR 9510, Feb. 28, 2005]

### § 925.9 Makes long-term home mortgage loans requirement.

An applicant shall be deemed to make long-term home mortgage loans as required by section 4(a)(1)(C) of the Act (12 U.S.C. 1424(a)(1)(C)) and § 925.6(a)(3) of this part, if, based on the applicant's most recent regulatory financial report filed with its appropriate regulator, the applicant origi-

nates or purchases long-term home mortgage loans.

[61 FR 42545, Aug. 16, 1996, as amended at 63 FR 40023, July 27, 1998; 65 FR 8261, Feb. 18, 2000; 67 FR 12848, Mar. 20, 2002; 70 FR 9510, Feb. 28, 2005]

### § 925.10 10 percent requirement for certain insured depository institution applicants.

An insured depository institution applicant that is subject to the 10 percent requirement of section 4(a)(2)(A) of the Act (12 U.S.C. 1424(a)(2)(A)) and section 925.6(b) of this part, shall be deemed to be in compliance with such requirement if, based on the applicant's most recent regulatory financial report filed with its appropriate regulator, the applicant has at least 10 percent of its total assets in residential mortgage loans, except that any assets used to secure mortgage debt securities as described in paragraph (6) of the definition of "residential mortgage loan" set forth in § 925.1 of this part shall not be used to meet this requirement.

[65 FR 13870, Mar. 15, 2000, as amended at 67 FR 12848, Mar. 20, 2002]

### § 925.11 Financial condition requirement for applicants other than insurance companies.

(a) *Review requirement.* In determining whether an applicant other than an insurance company has complied with the financial condition requirement of section 4(a)(2)(B) of the Act (12 U.S.C. 1424(a)(2)(B)) and § 925.6(a)(4) of this part, the Bank shall obtain as a part of the membership application and review each of the following documents:

(1) *Regulatory financial reports.* The regulatory financial reports filed by the applicant with its appropriate regulator for the last six calendar quarters and three year-ends preceding the date the Bank receives the application;

(2) *Financial statement.* In order of preference: the most recent independent audit of the applicant conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the applicant; the most recent independent audit of the applicant's parent holding company