



December 7, 2009

Alfred M. Pollard, General Counsel
Attention: Comments/RIN 2590-AA31
Federal Housing Finance Agency
Fourth Floor
1700 G Street, N.W.
Washington, D.C. 20552

BY FEDERAL EXPRESS AND E-MAIL:
RegComments@FHFA.gov

Re: RIN 2590-AA31 -- Proposed Rule:
Federal Home Loan Bank Directors' Compensation and Expenses

Dear Mr. Pollard:

The Federal Home Loan Bank of San Francisco ("San Francisco Bank") appreciates the opportunity to comment on the Federal Housing Finance Agency's ("Finance Agency") proposed rule on Federal Home Loan Bank Directors' Compensation and Expenses ("Proposed Rule"). We offer the following comments seeking two technical changes to the final rule.

Section 1261.23 Director Disapproval

The Proposed Rule provides that if the Finance Agency Director determines that a Bank's compensation and reimbursement policy or payments are not reasonable and orders the Bank not to make further payments under that policy, that order will be applied prospectively only and will not affect "any compensation or expense payments made prior to the date of the Director's determination and order" (*emphasis added*). We fully support the Finance Agency's intent not to apply retroactively decisions that affect compensation and expenses already paid, and we believe these principles should extend also to compensation earned and not yet paid and expenses incurred and not yet reimbursed. For this reason, we recommend that Section 1261.23 be revised to say that a Director's determination or order will not affect "any compensation earned or reimbursable expenses incurred by a director" prior to the date of the determination. This will help avoid uncertainty on the part of directors relating to fees paid "in arrears" and expenses incurred but not yet reimbursed as of the date any determination or order is made by the Director.

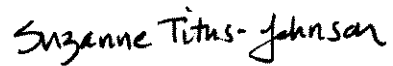
Section 1261.21 General

Section 1261.21 of the Proposed Rule requires each Bank to report to the Finance Agency by December 1st of each calendar year the compensation anticipated to be paid to its directors the following calendar year. Because compensation matters for the following year are not always considered by a Bank's board of directors until the last regularly scheduled meeting of the year, which may not occur until the first week of December, the December 1st deadline for anticipated compensation information may be administratively cumbersome for the Bank in some years. A yearend submission deadline would be better to avoid the need for special board and committee meetings in the weeks leading to the final regularly scheduled meetings of the year.

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We thank you for this opportunity to comment on the Proposed Rule and we appreciate your consideration of our comments.

Sincerely,

A handwritten signature in cursive script that reads "Suzanne Titus-Johnson".

Suzanne Titus-Johnson
Senior Vice President and
General Counsel-Corporate Secretary