

**INDEPENDENT DIRECTOR**  
**Applications Due: July 20, 2018**

On June 18, 2018, the Federal Home Loan Bank of Chicago announced the start of the 2018 Election of Federal Home Loan Bank Directors. If you are interested in serving as an “independent director”, please see below. Nominations forms for member directorship were mailed to each member of the Bank eligible to vote in the election.

As prescribed in 12 C.F.R. § 1261.5(c) each independent director nominee must be a citizen of the United States and a bona fide resident of Illinois or Wisconsin. No independent director may, during a term of service on the Bank's Board of Directors, serve as an officer of any Federal Home Loan Bank or as a director, officer or employee of any member of the Chicago Bank or of any entity that receives advances from the Chicago Bank.

There are two types of independent directorships – “public interest” directorships and “other independent” directorships. “Public interest” directors (of which the Board must designate a minimum of two) must have more than four years experience representing consumer or community interests in banking services, credit needs, housing, or consumer financial protections. The Bank’s Board of Directors has determined that there will be two public interest directors and one of the current public interest director’s term is expiring. Thus, the Bank will only be accepting nominations for “Public Interest” directorships.

An independent director must possess the following qualifications:

- \* Other Independent Directorship: Knowledge of or experience in one or more of the following areas: auditing and accounting, derivatives, financial management, organizational management, project development, risk management practices, and the law.
- \* Public Interest Directorship: Must have more than four years experience representing consumer or community interests in banking services, credit needs, housing, or consumer financial protections.

Any interested party may recommend to the Bank that it considers a particular individual as a nominee for an independent directorship, but the Bank shall not nominate any individual unless the individual has delivered to the Bank, on or before the date the Bank has set for delivery of a nominating certificate, an executed Independent Director Application Form prescribed by FHFA. The original and fully executed Independent Director Application Form along with a copy of your résumé must be received by the Bank **JULY 20 2018**. Please note that no faxes or emails permitted. Should you choose to send your Certificate via overnight mail, please use the address below and indicate “*Nomination Enclosed.*”

Sue Krzus  
Federal Home Loan Bank of Chicago  
200 East Randolph Drive, Suite 1800  
Chicago, IL 60601

If you have any questions, please contact Dana Gibbs at (312) 565-5317 or dgibbs@fhlbc.com.





**3. Public Interest Directors.** If you are seeking election as a public interest director, you must be able to demonstrate that you have more than four years experience representing consumer or community interests on banking services, credit needs, housing, or consumer financial protections.

If you meet this requirement, provide information on how you have represented such consumer or community interests for more than four years.

**4. Conflicts of interest.** Independent directors and their spouses may not serve as an officer of any Bank or as an officer, employee, or director of any member of, or any recipient of advances from, the Bank on whose board the independent director serves. You and your spouse will have to give up any conflicting position before you can become a Bank director.

For purposes of this conflict of interest provision, the terms:

“Member” and “Recipient of advances” include the institution itself and any subsidiary of the institution. If the institution is owned by a holding company, the terms include the holding company if 35 percent or more of the holding company’s assets, on a consolidated basis, are attributable to institutions that are members of, or recipients of advances from, the Bank on whose board the independent director serves. Thus, you may not serve as a director, employee, or officer of a holding company if one or more members of, or one or more recipients of advances from, your Bank constitute 35 percent or more of the holding company’s assets.

**A.** Please specify each position you and your spouse have in any member of, or recipient of advances from, the Bank on whose board you would serve.

**B.** Do you agree to give up positions that are deemed to be conflicting interests before becoming an independent director of that Bank? **Yes**      **No**

## SELECTION CRITERIA

The Banks are multi-billion dollar financial institutions, the principal business of which is to borrow funds in the capital markets and then provide secured loans to their members. Each Bank is required to have independent directors who possess knowledge or expertise in financial management, derivatives, auditing and accounting, risk management practices, project development, organizational management, or the law.

**1. *Leadership Experience.*** Bank directors should have experience in senior management or policy-making in one or more fields of business, government, education, or community/civic affairs, and should have a record of achievement in their chosen profession or field of business. This experience should provide directors with the ability to understand the business of the Bank, to act independently, and to ask Bank management appropriate questions about how they are conducting Bank business.

**A.** If you have ever served as the CEO, CFO, COO, or in a similar capacity for a business enterprise, or as a dean or senior faculty member at a prominent college or university, or as a senior official for a federal or state government or prominent nonprofit organization, please provide the details for those positions, including the dates of service and the positions held.

**B.** If you have other experience dealing with issues such as developing or implementing business strategies, overseeing regulatory compliance, corporate governance, or board operations, or have previously served on the board of a large business enterprise, please describe those experiences.

**C.** If you have other significant business or professional achievements that demonstrate your ability to lead an organization please describe them.

**2. Business Knowledge.** Bank directors must be financially literate, meaning they must be familiar with how financial statements and various financial ratios are used in managing a business enterprise, how basic accounting conventions apply to the Bank, and how internal controls are used to manage risk. They also must have some knowledge about one or more of the areas of the Bank's business, such as mortgage finance, capital markets transactions, accounting/modeling practices, affordable housing, community and economic development, and legal and regulatory compliance.

**A.** Do you know how to read and understand a financial statement, and do you understand how financial ratios and other indices are used for evaluating the performance of a business enterprise? **Yes**      **No**

If you answered **Yes**, please describe the setting in which you gained that knowledge.

**B.** Do you have a working familiarity with basic finance and accounting practices, including internal controls and risk management? **Yes**      **No**

If you answered **Yes**, please describe the setting in which you acquired that knowledge.

**C.** Do you have experience with financial accounting and auditing, particularly with a publicly traded company? **Yes**      **No**

If you answered **Yes**, please describe that experience.

**D.** Do you have experience in project development or organizational management?  
**Yes**      **No**

If you answered **Yes**, please describe that experience.

**E.** Do you have experience in an organization providing financing for residential mortgages, housing for low or moderate income individuals and families, or real estate development?  
**Yes**      **No**

If you answered **Yes**, please describe that experience.

**F.** Have you served in any position that required an understanding of the legal and other fiduciary obligations associated with being an independent director? **Yes**      **No**

If you answered **Yes**, please describe that experience.

**G.** The mission of the Banks is to support the housing finance activities of their members, which includes residential mortgage finance and community and economic development lending activities. Please describe any prior experience that is related to the mission of the Banks.

**3. Commitment to Service.** In order to serve effectively on the board of a Bank, a director must be able to attend the meetings of the board of directors and subcommittees on which the director serves, and to devote the time necessary to prepare for those meetings.

**A.** Do you have any other business or professional commitments that would hinder your ability to prepare for and attend board of director and committee meetings? **Yes** **No**

If so, please describe the constraints on your ability to serve.

**B.** If you serve on any other corporate boards, please provide the name and location of the organization, your role (*e.g.*, chair and committee assignments), and the term of service.

_____	_____	_____
<b>Name of organization</b>	<b>Your role</b>	<b>Term</b>
_____	_____	_____
<b>Name of organization</b>	<b>Your role</b>	<b>Term</b>
_____	_____	_____
<b>Name of organization</b>	<b>Your role</b>	<b>Term</b>

**4. Personal Integrity.** Character is an important consideration in evaluating any prospective Bank director. All directors must have high ethical standards and integrity in both their personal and professional dealings. Please indicate whether you ever have been convicted of a felony, been found to have violated any federal or state civil laws relating to the securities, banking, housing or real estate industries, or have had a professional license suspended or revoked.

**Yes** **No**

If you answered **Yes**, please explain.



**5. Independence.** It is essential that an independent director be able to act independently of management in overseeing the policy and operations of a Bank, and not have any relationships that may create actual or apparent conflicts of interest. Please disclose whether you have any familial or business relationships with any members of Bank management or the board of directors of the Bank, and any other relationship(s) that might lead a reasonable person to question your independence. **Yes No**

If you answered **Yes**, please explain.

**6. Other Experience and Education.** Please provide a copy of your resume if it describes other business, professional, or educational achievements that are not described in the responses to the questions above. Resume attached. **Yes No**

**BY EXECUTING AND SUBMITTING THIS APPLICATION FORM, YOU ARE CERTIFYING THAT THE INFORMATION YOU PROVIDED IS TRUE, CORRECT, AND COMPLETE TO THE BEST OF YOUR KNOWLEDGE AND THAT YOU AGREE TO SERVE AS A DIRECTOR IF ELECTED.**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**Privacy Act Statement:** In accordance with the Privacy Act (5 U.S.C. 552a), the following notice is provided. This information is solicited under authority of 12 U.S.C. 1427(a) and (b); and 12 CFR 1261.5, 1261.7, and 1261.10 to 1261.13. Furnishing the information on this form is voluntary, but failure to do so may result in you not meeting the statutory and regulatory eligibility requirements to serve as an independent director. The purpose of this information is to facilitate the timely determination of your eligibility to serve as an independent director. Information may be disclosed in accordance with the routine uses identified in FHFA-System of Records Notice FHFA-8 Federal Home Loan Bank Directors, which may be found at <https://www.fhfa.gov/SupervisionRegulation/Rules/Pages/Privacy-Act-of-1974-System-of-Records-Notice-of-the-Establishment-of-New-Systems-of-Records.aspx>.

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