

THE WHITE HOUSE

WASHINGTON

August 28, 2003

Mr. Costello:

Secretary Card asked me to respond to your letter of July 21, 2003 regarding the disclosure practices of the Federal Home Loan Banks. The Administration remains fully committed to assuring that government-sponsored enterprises are models of business ethics and transparency.

Secretary Snow and Secretary Martinez articulated the Administration's position in a letter to the Federal Home Loan Banks on July 24, 2003, calling on the banks to register voluntarily with the SEC under the Securities Exchange Act of 1934. The SEC remains comfortable that the registration can be accomplished without disrupting the operations, products and services of the banks.

Thank you for sharing your thoughts on this important matter. Should you have any questions or wish to follow-up in person, please feel free to contact me at (202) 456-2800.

Sincerely,



Keith B. Hennessey
Deputy Assistant to the President
for Economic Policy

Enclosure

Mr. Kevin J. Costello
South Shore Chamber of Commerce
36 Miller Stile Road
P. O. Box 690625
Quincy, MA 02269

