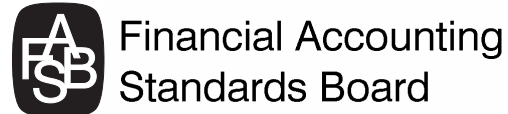


MINUTES



**To:** Board Members  
**From:** Salo, ext. 312  
**Subject:** Minutes of December 3, 2003 Educational Board Meeting regarding Loan Commitments **Date:** December 3, 2003  
**cc:** Bielstein, Smith, Petrone, Polley, Swift, Leisenring, Sutay, Thompson, Gabriele, Intranet, Financial Instruments Team, Revenue Recognition Team

Topic: Loan Commitments

Basis for Discussion: Staff Memorandum dated December 2, 2003, and Mortgage Bankers Association of America (MBAA) Discussion Materials (refer to Exhibit)

Length of Discussion: 1:05 p.m. to 2:35 p.m.

Attendance:

Board members present: Herz, Batavick, Crooch, Schieneman, Schipper, Seidman, and Trott

Board members absent: None

Staff in charge of topic: Wilkins

Other staff at Board table: Smith, Bielstein, Laurenzano, McKenna, Salo, and Sletten

Outside participants: MBAA Representatives: Julee Andrews (SunTrust Mortgage, Inc.), James McCarthy (Prudential Mortgage Capital Company), Greg Tornquist (CENLAR FSB), Alison B. Utermohlen (MBAA), and Debbie Zaydel (Wells Fargo Home Mortgage)

Summary for ACTION ALERT:

The Board met with representatives of the Mortgage Bankers Association of America (MBAA). The discussion focused on the process for issuing single-family residential mortgage loan commitments (interest rate lock commitments), their characteristics, and related valuation issues, as well as the differences between commercial loan commitments and single-family residential mortgage loan commitments. The meeting was educational and no Board decisions were made.

Matters Discussed and Decisions Reached:

The Board met with representatives of the MBAA and discussed the materials in the attached Exhibit, which was prepared by the MBAA representatives. The meeting was educational and no Board decisions were made.

[Exhibit](#)

Follow-up Items: None.

General Announcements: None.