

October 30, 1989

**Monday
October 30, 1989**

Part XLIX

**Federal Deposit
Insurance
Corporation**

Semiannual Regulatory Agenda

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC)

FEDERAL DEPOSIT INSURANCE CORPORATION

12 CFR Ch. III

Semiannual Agenda of Regulations

AGENCY: Federal Deposit Insurance Corporation.

ACTION: Publication of semiannual agenda of regulations.

SUMMARY: The Federal Deposit Insurance Corporation ("FDIC") is hereby publishing items for the October 1989 regulatory agenda. The agenda contains information about FDIC's current and projected rulemakings, existing regulations under review, and completed rulemakings.

FOR FURTHER INFORMATION CONTACT: Persons identified under regulations listed in the agenda. The address for all FDIC staff identified in the agenda is Federal Deposit Insurance Corporation,

550 17th Street NW., Washington, DC 20429.

SUPPLEMENTARY INFORMATION: Twice each year, the FDIC publishes an agenda of regulations to inform the public of its regulatory actions and to enhance public participation in the rulemaking process. Publication of the agenda is in accordance with both the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) and the FDIC statement of policy entitled, "Development and Review of FDIC Rules and Regulations" (44 FR 31007, May 30, 1979; 44 FR 32353, June 6, 1979; 44 FR 76858, December 28, 1979; 49 FR 7288, February 28, 1984).

The FDIC amends its regulations under the general rulemaking authority prescribed in section 9 of the Federal Deposit Insurance Act (12 U.S.C. 1819) and under specific authority granted by the Act and other statutes.

The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("FIRREA"), which was enacted on August 8, 1989, contains reforms that

significantly restructure Federal deposit insurance and the regulation of financial institutions. As a consequence, the FDIC expects, in the coming months, to propose and adopt a number of regulations, as required by FIRREA. Among them are regulatory actions pertaining to insurance fund assessment procedures and the requirements for notifying the public of deposit insurance coverage, which are included in this agenda.¹

Interested persons may petition the FDIC for the issuance, amendment, or repeal of any regulation by submitting a written petition to the Executive Secretary, Federal Deposit Insurance Corporation, Washington, DC 20429. Petitioners should include complete and concise statements of their interest in the subject matter and reasons why the petitions should be granted.

Dated: August 25, 1989.

Federal Deposit Insurance Corporation.
Hoyle L. Robinson,
Executive Secretary.

Prerule Stage

Sequence Number	Title	Regulation Identifier Number
3866	12 CFR 309 Disclosure of Information	3064-AA65
3867	12 CFR 311 Rules Governing Public Observation of Meetings of the Corporation's Board of Directors	3064-AA66
3868	12 CFR 330 Clarification and Definition of Deposit Insurance Coverage	3064-AA68
3869	12 CFR 304 Prior Notice by Insured Banks of Intent To Directly or Indirectly Engage in a New Banking Activity and of Intent To Acquire or Establish a Subsidiary	3064-AA29
3870	12 CFR 356 Insider Transactions - Conflicts of Interest	3064-AA94
3871	12 CFR 328 Advertisement of Membership	3064-AA95

Proposed Rule Stage

Sequence Number	Title	Regulation Identifier Number
3872	12 CFR 355 Salary Offset	3064-AA93
3873	12 CFR 344 Securities Recordkeeping and Confirmations	3064-AA30
3874	12 CFR 304 Prior Notice of Rapid Growth in Insured Banks	3064-AA88

¹The regulatory agenda of the former Federal Home Loan Bank Board appears in Part LI of this issue of the Federal Register. Beginning with the

April 1990 edition of the Unified Agenda, FHLEB items will be reported in the agenda of the Federal Deposit Insurance Corporation or the agendas of the

other agencies to which authority for the items has been transferred by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

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Final Rule Stage

Sequence Number	Title	Regulation Identifier Number
3875	12 CFR 335 Securities of Insured Nonmember Banks.....	3064-AA45
3876	12 CFR 303 Delegations of Authority to Act on Applications.....	3064-AA84
3877	12 CFR 330 Insurance Coverage; Unit Investment Trust.....	3064-AA73
3878	12 CFR 354 Deposit Liabilities.....	3064-AA92

Completed Actions

Sequence Number	Title	Regulation Identifier Number
3879	12 CFR 310 Privacy Act Regulations.....	3064-AA91
3880	12 CFR 327 Assessments.....	3064-AA96
3881	12 CFR 328 Advertisement of Membership.....	3064-AA95
3882	12 CFR 346 Foreign Banks; Delegations of Authority.....	3064-AA78

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC)

Prerule Stage

3866. DISCLOSURE OF INFORMATION

Legal Authority: 5 USC 552; 12 USC 1819

CFR Citation: 12 CFR 309

Legal Deadline: None

Abstract: Part 309 sets forth the basic policies of the FDIC regarding the information it maintains and the procedures for obtaining access to such information.

This regulation has been selected for review under the FDIC's Regulation Review Program.

Timetable:

Action	Date	FR Cite
End Review	00/00/00	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: James R. Dudine, Chief, Special Activities Section, Division of Bank Supervision, Federal Deposit Insurance Corporation, Washington, DC 20429, 202 898-6750

RIN: 3064-AA65

3867. RULES GOVERNING PUBLIC OBSERVATION OF MEETINGS OF THE CORPORATION'S BOARD OF DIRECTORS

Legal Authority: 5 USC 552b; 12 USC 1819

CFR Citation: 12 CFR 311

Legal Deadline: None

Abstract: Part 311 implements the policy of the "Government in the Sunshine Act," section 552b of Title 5, United States Code, which is to provide the public with as much information as possible regarding the decision-making processes of certain Federal agencies, including the FDIC, while preserving the rights of individuals and the ability of the agency to carry out its responsibilities.

This regulation has been selected for review under the FDIC's Regulation Review Program.

Timetable:

Action	Date	FR Cite
End Review	00/00/00	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Hoyle L. Robinson, Executive Secretary, Federal Deposit

Insurance Corporation, Washington, DC 20429, 202 898-3813

RIN: 3064-AA66

3868. CLARIFICATION AND DEFINITION OF DEPOSIT INSURANCE COVERAGE

Legal Authority: 12 USC 1813; 12 USC 1817; 12 USC 1821; 12 USC 1822

CFR Citation: 12 CFR 330

Legal Deadline: None

Abstract: Part 330 provides for the determination by the FDIC of the insured depositors of an insured bank and the amount of their insured deposit accounts. It sets forth the rules for determining the insurance coverage of deposit accounts maintained by depositors.

This regulation has been selected for review under the FDIC's Regulation Review Program.

Timetable:

Action	Date	FR Cite
End Review	00/00/00	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: J. William Via, Jr., Counsel, Legal Division, Federal

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Prerule Stage

Deposit Insurance Corporation,
Washington, DC 20429, 202 898-3733

RIN: 3064-AA68

3869. PRIOR NOTICE BY INSURED BANKS OF INTENT TO DIRECTLY OR INDIRECTLY ENGAGE IN A NEW BANKING ACTIVITY AND OF INTENT TO ACQUIRE OR ESTABLISH A SUBSIDIARY

Legal Authority: 12 USC 1816; 12 USC 1817; 12 USC 1818(a); 12 USC 1818(b); 12 USC 1819; 12 USC 1820; 12 USC 1821(f)

CFR Citation: 12 CFR 304; 12 CFR 332

Legal Deadline: None

Abstract: The FDIC is considering amending its regulations to require any insured State nonmember bank to provide 30-day prior written notice to the regional director of the FDIC region in which the bank is located of the bank's intent to engage in a new banking activity and of its intent to acquire or establish a subsidiary. The planned rule also would require notice to the regional director of the FDIC region in which the bank is located not more than 10 days after the activity is started or the subsidiary is established or acquired.

Timetable:

Action	Date	FR Cite

Next Action Undetermined

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Daniel M. Gutsch, Examination Specialist, Division of Bank Supervision, Federal Deposit

Insurance Corporation, Washington, DC
20429, 202 898-6912

RIN: 3064-AA29

3870. ● INSIDER TRANSACTIONS - CONFLICTS OF INTEREST

Legal Authority: 12 USC 1818; 12 USC 1819; 12 USC 1820; 12 USC 1821(f)

CFR Citation: 12 CFR 356

Legal Deadline: None

Abstract: The FDIC staff is considering whether to recommend to the Board of Directors that it amend its regulations to require any state-chartered nonmember bank and FDIC-insured foreign branch to adopt written guidelines governing all insider transactions beyond loans. Staff expects to recommend that the planned rule would require that no covered institution may enter into a business transaction with an insider (as defined) unless: (i) it is made on substantially the same terms as those prevailing at the time for comparable transactions, (ii) the board of directors or trustees states in writing that the business transaction is for the benefit of the bank and is not merely an accommodation to a bank insider, and (iii) the transaction does not present unfavorable features which may be detrimental to the bank's interest.

Timetable:

Action	Date	FR Cite

Next Action Undetermined

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Daniel M. Gutsch, Examination Specialist, Division of

Bank Supervision, Federal Deposit Insurance Corporation, Washington DC
20429, 202 898-6912

RIN: 3064-AA94

3871. ● ADVERTISEMENT OF MEMBERSHIP

Legal Authority: 12 USC 1819; 12 USC 1820(a); PL 101-73, Sec 221

CFR Citation: 12 CFR 328

Legal Deadline: None

Abstract: The FDIC has issued a final rule amending its regulation regarding advertisement of membership in order to comply with the requirements of section 221 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("FIRREA") (see 54 FR 33689, August 16, 1989). Because the FDIC acted under a statutory deadline, the final rule established only those requirements that were considered to be the minimum necessary to comply with FIRREA. The FDIC is now considering additional amendments to the regulation.

Timetable:

Action	Date	FR Cite
ANPRM	08/16/89	54 FR 33716
ANPRM	10/16/89	
Comment Period End		
NPRM	02/00/90	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Valerie J. Best, Attorney, Legal Division, Federal Deposit Insurance Corporation, Washington, DC 20429, 202 898-3812

RIN: 3064-AA95

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC)

Proposed Rule Stage

3872. SALARY OFFSET

Legal Authority: 5 USC 5514; 12 USC 1819

CFR Citation: 12 CFR 355

Legal Deadline: None

Abstract: The FDIC is planning to propose new regulations to implement salary offset procedures required by 5 USC 5514 and 5 CFR 550, Subpart K. The proposal would set out procedures

to be used by the FDIC to offset the salary of any FDIC employee who is indebted to the United States and refuses to pay voluntarily. The proposal would also enumerate procedures through which the FDIC may request another agency to offset the salary of one of its employees to satisfy a debt that employee may owe the FDIC.

Timetable:

Action	Date	FR Cite

Next Action Undetermined

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Catherine N. Lundblad, Personnel Management Specialist, Office of Personnel Management, Federal Deposit Insurance

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Proposed Rule Stage

Corporation, Washington, DC 20429, 202 898-8857

RIN: 3064-AA93

3873. SECURITIES RECORDKEEPING AND CONFIRMATIONS

Legal Authority: 12 USC 1817; 12 USC 1818; 12 USC 1819

CFR Citation: 12 CFR 344

Legal Deadline: None

Abstract: The FDIC expects to propose an amendment to 12 CFR Part 344, which governs an insured nonmember bank's recordkeeping and confirmation requirements for securities transactions. The proposed amendment would expand an existing exception under Part 344 for low activity. The exception would be increased to allow banks which effect an average of fewer than 1,000 securities transactions per year to be exempt from certain recordkeeping and written policymaking requirements. The current "low-activity" threshold is 200 transactions per year. The amendment is needed to eliminate unnecessary paperwork burden and is

intended to reduce the impact of FDIC's regulation on insured nonmember banks that engage in a low number of securities transactions per year.

Timetable:

Action	Date	FR Cite
NPRM	10/00/89	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: John F. Harvey, Review Examiner (Trust Specialist), Division of Bank Supervision, Federal Deposit Insurance Corporation, Washington, DC 20429, 202 898-6762

RIN: 3064-AA30

3874. PRIOR NOTICE OF RAPID GROWTH IN INSURED BANKS

Legal Authority: 5 USC 552; 12 USC 1817; 12 USC 1818; 12 USC 1819; 12 USC 1820

CFR Citation: 12 CFR 304

Legal Deadline: None

Abstract: The FDIC plans to substitute for its current regulation on reporting fully insured brokered deposits and fully insured deposits placed directly by other depository institutions (12 CFR 304.6) a new requirement calling for the reporting of planned rapid growth by certain limited means such as the solicitation and acceptance of brokered deposits, out-of-territory deposits and borrowings. The report would describe the volume, sources and anticipated uses of the funds to be borrowed.

Timetable:

Action	Date	FR Cite
NPRM	04/05/89	54 FR 13693
NPRM Comment	06/05/89	
Period End		
NPRM - Revised	10/00/89	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: William G. Hrinac, Examination Specialist, Division of Bank Supervision, Federal Deposit Insurance Corporation, Washington, DC 20429, 202 898-6892

RIN: 3064-AA88

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC)

Final Rule Stage

3875. SECURITIES OF INSURED NONMEMBER BANKS

Legal Authority: 12 USC 1819 Federal Deposit Insurance Act; 15 USC 78(i) Securities Exchange Act of 1934

CFR Citation: 12 CFR 335

Legal Deadline: None

Abstract: The Securities Exchange Act of 1934 requires the FDIC to issue regulations substantially similar to regulations of the Securities and Exchange Commission, or publish reasons for not doing so. The FDIC has proposed such conforming amendments for public comment based on recent rulemaking actions by the Commission.

Timetable:

Action	Date	FR Cite
NPRM	07/25/89	54 FR 30976
NPRM Comment	09/25/89	
Period End		
Final Action	12/00/89	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Lawrence H. Pierce, Securities Activities Officer, Division of Bank Supervision, Federal Deposit Insurance Corporation, Washington, DC 20429, 202 898-8902

RIN: 3064-AA45

3876. DELEGATIONS OF AUTHORITY TO ACT ON APPLICATIONS

Legal Authority: 12 USC 1815; 12 USC 1816; 12 USC 1817; 12 USC 1818; 12 USC 1819; 12 USC 1828; 12 USC 1829; 15 USC 1607

CFR Citation: 12 CFR 303

Legal Deadline: None

Abstract: The FDIC is preparing final amendments to Part 303 of its rules and regulations to clarify and, in some cases, to modify the delegations of authority for acting on a variety of applications (e.g., mergers, branches, relocations, deposit insurance, trust and banking powers, change in control, and management interlocks). The amendments do not alter any rights or

obligations of any person, bank, or other applicant.

Timetable:

Action	Date	FR Cite
Final Action	10/00/89	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Nancy L. Alper, Senior Attorney, Legal Division, Federal Deposit Insurance Corporation, Washington, DC 20429, 202 898-3720

RIN: 3064-AA84

3877. INSURANCE COVERAGE; UNIT INVESTMENT TRUST

Legal Authority: 12 USC 1813; 12 USC 1817; 12 USC 1821; 12 USC 1822

CFR Citation: 12 CFR 330

Legal Deadline: None

Abstract: The FDIC proposed amending Part 330 of its rules and regulations. Under the proposed rule, unit investment trusts would no longer be treated as corporations for purposes of

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Final Rule Stage

insurance coverage limits where deposits in any one insured bank are insured to the maximum of \$100,000. Instead, the proposal, if adopted, would result in deposit insurance up to \$100,000 as to each beneficial owner of the trust's deposits.

Timetable:

Action	Date	FR Cite
NPRM	10/12/88	53 FR 39746
NPRM Comment Period End	12/12/88	
Final Action	10/00/89	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: F. Douglas Birdzell, Special Counsel, Legal Division, Federal

Deposit Insurance Corporation, Washington, DC 20429, 202 898-3716

RIN: 3064-AA73

3878. DEPOSIT LIABILITIES

Legal Authority: 12 USC 1813; 12 USC 1819

CFR Citation: 12 CFR 354

Legal Deadline: None

Abstract: The FDIC issued for public comment a proposed regulation expanding the definition of the term "deposit." The proposed rule would find that a bank's liability on a promissory note, bond, acknowledgement of advance, or similar obligation that is issued or undertaken by the insured

bank as a means of obtaining funds is a deposit liability.

Timetable:

Action	Date	FR Cite
NPRM	11/25/88	53 FR 47723
NPRM Comment Period End	01/24/89	
Final Action	10/00/89	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Katharine H. Haygood, Senior Attorney, Legal Division, Federal Deposit Insurance Corporation, Washington, DC 20429, 202 898-3732

RIN: 3064-AA92

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC)

Completed Actions

3879. ● PRIVACY ACT REGULATIONS

Legal Authority: 5 USC 552a

CFR Citation: 12 CFR 310

Legal Deadline: None

Abstract: The FDIC has exempted from certain provisions of its regulations implementing the Privacy Act of 1974 its proposed new Investigative Files and Records system. This new system of records will contain files on employees of the FDIC or other persons involved in the FDIC's programs or operations who are or have been under investigation by the FDIC's Office of Inspector General where fraud or abuse has been suspected.

Timetable:

Action	Date	FR Cite
NPRM	06/13/89	54 FR 25126
NPRM Comment Period End	08/14/89	
Final Action	09/19/89	54 FR 38507
Final Action Effective	10/19/89	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Robert E. Feldman, Deputy Executive Secretary, Federal Deposit Insurance Corporation, Washington, DC 20429, 202 898-3811

RIN: 3064-AA91

3880. ● ASSESSMENTS

Significance: Agency Priority

Legal Authority: 12 USC 1817 to 1819

CFR Citation: 12 CFR 327

Legal Deadline: None

Abstract: The FDIC is amending Part 327 of its regulations, entitled "Assessments," in response to the requirements of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989. The final rule establishes interim assessment procedures for savings associations. The final rule also provides a mechanism for funding the Financing Corporation and the Resolution Funding Corporation through the end of 1989.

The FDIC will consider any public comments received by November 13, 1989, in order to determine whether this final rule should be revised.

Timetable:

Action	Date	FR Cite
Final Action	09/14/89	54 FR 37935
Final Action Effective	09/14/89	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Jules Bernard, Senior Attorney, Legal Division, Federal

Deposit Insurance Corporation, Washington, DC 20429, 202 898-3731

RIN: 3064-AA96

3881. ● ADVERTISEMENT OF MEMBERSHIP

Significance: Agency Priority

Legal Authority: 12 USC 1819; 12 USC 1828(a); PL 101-73, Sec 221

CFR Citation: 12 CFR 328

Legal Deadline: Final, Statutory, August 9, 1989.

Abstract: The FDIC is amending its regulation prescribing the requirements with regard to the official sign insured financial institutions must display notifying the public of deposit insurance coverage. This action is necessary in order to comply with the requirements of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("FIRREA"). This rule is intended to assure that insured financial institutions comply with the requirements of FIRREA.

Because the FDIC is acting under a statutory deadline, this final rule establishes only those requirements that are considered to be the minimum necessary to comply with FIRREA. Consequently, additional changes to the FDIC's regulation governing advertisement of membership are being considered, and comments are invited through a separately published

FDIC

Completed Actions

"Advance Notice of Proposed Rulemaking" (see 54 FR 33716, August 16, 1989).

Timetable:

Action	Date	FR Cite
Final Action	08/16/89	54 FR 33669
Final Action Effective	08/16/89	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Valerie J. Best, Attorney, Legal Division, Federal Deposit Insurance Corporation, Washington, DC 20429, 202 898-3812

RIN: 3064-AA95

**3882. FOREIGN BANKS;
DELEGATIONS OF AUTHORITY**

Legal Authority: 12 USC 378; 12 USC 1813; 12 USC 1815; 12 USC 1816; 12 USC 1817; 12 USC 1818; 12 USC 1819; 12 USC 1820; 12 USC 1828; 12 USC 1829; 12 USC 3103; 12 USC 3104; 12 USC 3108; 15 USC 1607

CFR Citation: 12 CFR 346; 12 CFR 303

Legal Deadline: None

Abstract: The FDIC has adopted changes to its regulations pertaining to insured branches of foreign banks. Substantial changes were made to the current provisions relating to exemptions from the deposit insurance requirement, the capital equivalency requirement, and the country exposure provision. Changes were also made to the pledge of assets requirement and to the delegations of authority concerning it (12 CFR Part 303.8), as well as to miscellaneous provisions throughout the regulation.

On June 28, 1989 (54 FR 27154), the FDIC published an addendum to the final regulation regarding exemptions from deposit insurance for branches of foreign banks. According to the addendum, the exemption for initial deposits of less than \$100,000 by depositors who are neither citizens nor residents of the U.S. at the time of the initial deposit will be included in the final regulation.

Timetable:

Action	Date	FR Cite
NPRM	10/20/88	53 FR 41180
NPRM Comment Period End	12/19/88	
Final Action	04/07/89	54 FR 14064
ADDENDUM to Final Regulation regarding Exemptions from Deposit Insurance	06/28/89	54 FR 27154
Final Action Effective	07/06/89	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Charles V. Collier, Assistant Director, Division of Bank Supervision, Federal Deposit Insurance Corporation, Washington, DC 20429, 202 898-6850

RIN: 3064-AA78

[FR Doc. 89-21754 Filed 10-27-89; 8:45 am]

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