



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC PROPOSES TO CHANGE REGULATIONS AFFECTING SECURITIES SUBSIDIARIES

The FDIC Board of Directors today proposed to eliminate the requirement that a securities subsidiary or affiliate of an insured nonmember bank have a separate entrance from the bank. The Board also proposed to remove the prohibition on the joint use of a common name or logo by a bank and its subsidiary.

If adopted, the regulatory amendments would retain the requirement that a subsidiary or affiliate be housed in separate offices. Such offices are required to be prominently identified as belonging to the subsidiary or affiliate and not to the bank. The proposed amendments would establish disclosure requirements that would further segregate the bank's activities from those of its subsidiary or affiliate.

The proposed amendments are based on comments received since last August when the FDIC requested public comment on whether to retain, modify or eliminate the common name prohibition and separate office/separate entrance requirement of its regulations. The majority of comments the FDIC received urged elimination or modification of the common name and separate office and entrance restrictions.

The decision to request comment was made in response to three petitions filed with the FDIC in December 1985 that urged elimination of these provisions. Additionally, nearly two years had passed since the FDIC had reviewed the appropriateness of the regulations or sought comment on them.

Individuals who want to comment on the proposed amendments may send their comments to Hoyle L. Robinson, Executive Secretary, FDIC, 550 17th Street, N.W., Washington, D.C. 20429. Comments will be accepted for 30 days after the date of publication of the proposal in the Federal Register.

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