



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC EXTENDS COMPLIANCE DEADLINE RELATING TO SECURITIES REGULATIONS

The Board of Directors of the Federal Deposit Insurance Corporation today extended until June 30, 1986, the deadline for compliance with portions of its regulations governing separation of insured nonmember banks and their securities subsidiaries or affiliates.

The FDIC recently has received a number of petitions and requests to waive or modify certain provisions of these regulations. The regulations require, in part, that office locations of securities firms be physically separate and distinct from those of their affiliated banks, and that an insured nonmember bank and its affiliated securities company not share a common name or logo. Affiliations between securities firms and banks that existed prior to December 28, 1984, were required to be in compliance with these provisions by December 28, 1985. Petitioners have asserted that compliance would be impossible, extremely expensive or burdensome.

Because of the importance and complexity of the issues involved, and the late date upon which petitioners raised these issues, the FDIC has been unable to respond to the petitions before the December 28, 1985, deadline. The extension of time to comply with the regulations will allow the Board to give due consideration to the petitions received and review the issues raised.

The extension applies only to affiliations that existed prior to December 28, 1984, and only to compliance with the provisions of the regulations prohibiting the use of common names or facilities by securities subsidiaries or affiliates.

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