



PRESS RELEASE

Federal Deposit Insurance Corporation

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FDIC PUBLISHES SEMIANNUAL AGENDA OF REGULATIONS

FOR IMMEDIATE RELEASE

The Federal Deposit Insurance Corporation has published its semiannual agenda of regulations in the Federal Register to inform the public of the Corporation's regulatory actions and encourage participation in the rulemaking process.

Many of the actions are the result of the FDIC Board's ongoing efforts to reduce the regulatory burden on banks, simplify rules, improve efficiency and comply with the Riegle Community Development and Regulatory Improvement Act of 1994.

The agenda contains 26 regulatory actions. Six actions have been completed and the rest are in various stages of the rulemaking process. Highlights follow.

* In September 1997, the Board agreed to issue a major regulatory relief proposal that would simplify application procedures. This proposal would consolidate various FDIC application procedures into a single rule, revise three related statements of policy and delete two others. The revised procedures would expedite the processing of more than 90 percent of the applications filed with the FDIC. For applications filed by well-managed, well-capitalized institutions, the procedures would establish or shorten the time frame for receiving comments and for the FDIC to act on the application. It also would treat some branch applications and other requests as being approved if not acted on by a certain date. (12 CFR 303)

* The Board also proposed in September to combine regulations governing activities and investments of insured state banks and savings associations into a single regulation. This proposal would update the FDIC's regulations governing the safety and soundness of securities activities of subsidiaries and affiliates of state nonmember banks. It would allow institutions to engage in certain activities and make certain



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

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investments by filing a notice rather than an application with the FDIC. This proposal should relieve regulatory burden without affecting safety and soundness because the FDIC would retain the authority to restrict or prohibit a particular institution's activity. (12 CFR 362)

* In December 1997, the Board agreed to reduce the regulatory burden of its risk-based capital standard for banks with significant trading activities. The Board eliminated a requirement that an institution must hold capital for specific risks equal to at least 50 percent of what would be derived using a standardized calculation from the international Basle Committee on Banking Supervision. This change reduces regulatory burden because institutions will not have to develop and maintain two systems -- their own internal model plus the standardized method. (12 CFR 325)

* The Board in March 1998 agreed to make it easier for state nonmember banks to engage in international operations. The new rule dramatically reduces filing requirements for most banks wishing to open a foreign branch or make a foreign investment. In addition, well-run, well-capitalized institutions with no enforcement actions pending against them that meet certain other criteria may utilize the FDIC's "general consent" when initiating new activities abroad. (12 CFR 347)

* The Board in March 1998 adopted a final rule to reflect recent changes in the Freedom of Information Act (FOIA). The rule, which implements the Electronic Freedom of Information Act Amendments of 1996 (P.L. 104-231), expedites FOIA processing, incorporates new appeal rights, and describes the expanded categories of records available through the FDIC's Public Information Center and the FDIC's Internet site. (12 CFR 309)

* The FDIC Board in February 1998 adopted a final rule revising the methodology the agency will use to determine which regions of the country are economically depressed and which institutions in those regions qualify for financial assistance, as required by law. (12 CFR 357)

Attached is a copy of the Semiannual Regulatory Agenda that appeared in the April 27, 1998, Federal Register, which contains all 26 final or planned rule changes.

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