



# PRESS RELEASE

Federal Deposit Insurance Corporation

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## FDIC PUBLISHES SEMIANNUAL AGENDA OF REGULATIONS

### FOR IMMEDIATE RELEASE

The Federal Deposit Insurance Corporation (FDIC) 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 22 regulatory actions. Four actions have been completed and the rest are in various stages of the rulemaking process.

### Proposed Regulations Withdrawn

- In March 1999, the Board approved a joint action to withdraw the "Know Your Customer" proposed rule. The financial institution regulatory agencies received an unprecedented number of comments on the proposal from the public, banking organizations, industry trade associations and members of Congress. Most of the comments reflected public concern over the privacy of information that would be collected and held by financial institutions, and many addressed the expected burden the proposed rule would impose on banks and savings associations. (12 CFR 326)

### Regulations Adopted

- In March 1999, the Board finalized a rule revising risk-based and leverage capital standards. The joint rule changes will eliminate inconsistencies in the risk-based



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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capital treatment of construction loans on presold residential properties, real estate loans secured by junior liens on one- to four-family residential real estate and investments in mutual funds. The final rule will also simplify and make uniform the agencies' Tier 1 leverage capital standards. (12 CFR 325)

- The FDIC Board in March 1999 amended deposit insurance regulations for joint accounts and payable-on-death accounts. The final rule simplifies the deposit insurance regulations for joint accounts by replacing the current two-step process with a simple one-step rule. For payable-on-death accounts, the final rule expands the list of qualifying beneficiaries to include the owner's parents and siblings. (12 CFR 330)
- The Board in December 1998 voted to revise the FDIC's regulations governing the activities and investments of insured state banks and savings associations, and consolidate those regulations into a single section, Part 362. The Board also approved updating and incorporating into Part 362 portions of the FDIC's regulations governing the securities activities of subsidiaries and affiliates of insured state nonmember banks. The revised rule provides the framework for which certain state-chartered banks or their majority-owned subsidiaries may engage in activities that are not permissible for national banks or their subsidiaries. (12 CFR 362, 12 CFR 337, 12 CFR 303)

Attached is a copy of the Semiannual Regulatory Agenda that appeared in the April 26, 1999, Federal Register, which contains all 22 final or planned rule changes.

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