PRESS RELEASE

Federal Deposit Insurance Corporation

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FDIC PUBLISHES SEMIANNUAL AGENDA OF REGULATIONS

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.

A number of the actions were also developed following the enactment of the financial services modernization law, the Gramm-Leach-Bliley Act, which requires rulemakings by the FDIC and other regulators in areas such as privacy, fair credit reporting and consumer protections.

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

- In February 2000, the Board joined other federal regulators in proposing a rule that would establish the minimum requirements that state nonmember banks and certain other financial institutions must follow to protect the privacy of financial information that consumers provide to the institutions. The proposed regulation, required by the Gramm-Leach-Bliley Act, would require a financial institution to: provide notice to customers about its privacy policies and practices; describe the conditions under which a financial institution may disclose nonpublic personal information about consumers to nonaffiliated third parties; and provide a method for consumers to prevent the financial institution from disclosing that information to nonaffiliated third parties by "opting out" of that disclosure. (12 CFR 332)

- In March 2000, the FDIC Board joined the Federal Reserve Board, the Office of the Comptroller of the Currency and the Office of Thrift Supervision in proposing

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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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revisions to the risk-based capital requirements for certain obligations related to securitized transactions. The proposal is intended to produce more consistent capital treatment for credit risks associated with exposures arising from securitization transactions. It would amend the risk-based capital requirements for asset-backed securities, as well as recourse obligations and direct credit substitutes. (12 CFR 325)

- Also in March, the FDIC amended its regulations governing activities and investments of insured state banks. The interim final rule requires an insured state nonmember bank to file a notice before engaging in a financial activity through a subsidiary if that activity must be conducted through a financial subsidiary of a national bank. Under the rule, the FDIC may impose prudential safeguards to insulate the bank from liability for activities of the subsidiary. (12 CFR 362)

Attached is a copy of the "Semiannual Regulatory Agenda" that appeared in the April 24, 2000, Federal Register, which contains all 26 final or planned rule changes.

Attachment: April 24, 2000 Federal Register, pages 23848-23855
HTML or PDF (50 KB PDF File - PDF Help or Hard Copy)