2. Discussion on the guidelines for prospective groundwater studies.

3. Update on the State Management Plan (SMP) rule.

4. Status of the groundwater SMP program, review and teleconferences.

5. Discussion of the United States Geological Survey (U.S.G.S.) groundwater and surface water monitoring for pesticides and metabolites.

6. Update on Amber registration.

7. Discussion of cross contamination of bulk pesticides.

8. Status of the part 165 regulations.

9. Other topics as appropriate.

List of Subjects

Environmental protection.

Dated: May 18, 1995.

William L. Jordan,

Acting Director, Field Operations Division, Office of Pesticide Programs.

[FR Doc. 95–13138 Filed 5–25–95; 8:45 am]

BILLING CODE 6560–50–F

FEDERAL DEPOSIT INSURANCE CORPORATION

Statement of Policy Regarding Treatment of Collateralized Letters of Credit After Appointment of the Federal Deposit Insurance Corporation as Conservator or Receiver

AGENCY: Federal Deposit Insurance Corporation (FDIC).

ACTION: Statement of policy.

SUMMARY: The FDIC has adopted a statement of policy that sets forth how the FDIC, as conservator or receiver for an insured depository institution, proposes to treat letters of credit backed by a pledge of collateral by the insured depository institution. Only those collateralized letters of credit (CLOCs) that were initially issued prior to the enactment of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) are covered by this policy.

EFFECTIVE DATE: May 19, 1995.

FOR FURTHER INFORMATION CONTACT:

Sharon Powers Sivertsen, Assistant General Counsel (202–736–0112), or Michael H. Krimminger, Senior Counsel (202–736–0336), Legal Division, Federal Deposit Insurance Corporation, 550 17th Street, NW., Washington, DC 20429.

Statement of Policy Regarding Treatment of Collateralized Letters of Credit After Appointment of the Federal Deposit Insurance Corporation as Conservator or Receiver

This Statement of Policy sets forth the treatment that the Federal Deposit Insurance Corporation (FDIC) as the conservator or receiver of an insured depository institution will give certain collateralized letters of credit issued by insured depository institutions prior to August 9, 1989.

Background

On August 9, 1989, the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) was signed into law. This statute amended the Federal Deposit Insurance Act (FDI Act) to clarify the FDIC's rights as conservator or receiver to repudiate contracts and to limit claims for damages upon repudiation to those actual, direct compensatory damages determined as of the date of the appointment of the conservator or receiver. 12 U.S.C. 1821(e)(3)(A). With regard to secured contracts, the FDI Act provides that the repudiation provisions contained in 12 U.S.C. 1821(e) are not to be construed as permitting the avoidance of any legally enforceable or perfected security interest in any assets of the institution, except where such interest is taken in contemplation of the institution's insolvency or with the intent to hinder, delay, or defraud the institution or the institution's creditors. 12 U.S.C. 1821(e)(11).

Generally, contingent obligations do not give rise to provable claims against a receivership or conservatorship, and any claims based upon such obligations have no provable damages because the damages are not fixed and certain as of the date of the appointment of the receiver or conservator. Accordingly, no provable claims in a receivership or conservatorship can be based on contingent obligations unless the default by the account party conferring a right to draw under the obligations occurred prior to the appointment of the receiver or conservator.

Reading section 11(e) of the FDI Act, 12 U.S.C. 1821(e), as a whole, it is clear that even secured contracts may be repudiated; that damages are limited to the extent set forth in the statute; and that legally enforceable or perfected security agreements will be honored to the extent of such damages but no further or otherwise. In other words, if there is a repudiation, the collateral securing the contract may be liquidated and the proceeds paid to or retained by the creditor up to the damages allowed by the statute. The remaining collateral or proceeds will be remitted or returned to the conservator or receiver as property of the institution or its estate, or to a bona fide junior lienholder to the extent applicable.

Statement of Policy

The FDIC has considered a number of relevant policy factors with respect to the treatment of certain collateralized letters of credit after its appointment as conservator or receiver of insured depository institutions. Specifically, it has considered its legal rights and powers under FIRREA; the assurances provided by the Federal Home Loan Bank Board prior to the enactment of FIRREA; the assurances provided by the Resolution Trust Corporation in its September 15, 1990 statement of policy on the treatment of collateralized letters of credit; market reliance on these assurances; the need for market certainty and stability; and the potential long-term cost to the FDIC of the repudiation of certain collateralized letters of credit. Based on its consideration and balancing of such factors, the FDIC has determined to adopt and implement the following Policy on the treatment of certain collateralized letters of credit after its appointment as conservator or receiver of insured depository institutions. This Policy is substantively the same as the RTC's September 25, 1990 policy statement on collateralized letters of credit and conforms to the RTC and FDIC policy statements on collateralized put obligations. As a consequence, adoption of the proposed policy statement will promote market certainty and stability upon the transition of receivership responsibilities from the RTC to the FDIC on July 1, 1995. 12 U.S.C. 1441a(b)(3)(A)(ii).

This Policy will apply only to collateralized letters of credit utilized in capital markets financing transactions originally issued by insured depository institutions prior to August 9, 1989, and any subsequent renewal, replacement or extension of such letters of credit. In addition, this Policy will apply only in such transactions where the underlying security interest is in collateral owned and pledged by the insured depository institution to secure its obligations and the security interest is both perfected and legally enforceable under applicable law. These financing transactions include transactions involving publicly-offered obligations rated by one or more nationally-recognized credit rating agencies and transactions involving non-rated privately placed obligations structured in a manner substantially similar to such rated obligations. The

policy does not apply to trade letters of credit or letters of credit issued for any other purpose.

After its appointment as conservator or receiver of any insured depository institution, the FDIC may either (1) continue any collateralized letters of credit as enforceable under the terms of the contract during the pendency of the conservatorship or receivership or (2) call, redeem or prepay any collateralized letters of credit by repudiation or disaffirmance.

If the FDIC as conservator or receiver exercises its right to call, redeem or prepay any collateralized letters of credit by repudiation or disaffirmance, it may do so either directly by cash payment in exchange for the release of the collateral or by repudiation of the contract followed by liquidation of the collateral by a trustee or other secured party. If the FDIC in its capacity as conservator or receiver accelerates the collateralized letters of credit by repudiation or disaffirmance, payment will be made to the extent of available collateral up to an amount equal to the outstanding principal amount or accreted value of the secured obligations, together with interest at the contract rate up to and including the date of payment and expenses of liquidation, if provided in the contract. If any collateral or proceeds remain after payment of such amounts, such collateral or proceeds then must be remitted or returned to the conservator or receiver as property of the institution or its estate, or to a bona fide junior lienholder to the extent applicable. If, however, the collateral securing the contract is insufficient to pay in full the amounts owing under the contract, the holder will receive a receivership certificate for any balance remaining due under the contract.

The FDIC shall have a reasonable time, generally no more than 180 days from the date of the appointment of the FDIC as conservator or receiver, to elect whether to disaffirm, repudiate, or accelerate a collateralized letter of credit. In the case of institutions for which the FDIC already has been so appointed, the period in which to make such an election shall begin to run as of the date of the adoption of this Policy and continue for 180 days.

This Policy Statement does not change or amend the FDIC's longstanding position that standby letters of credit are contingent obligations. Based on its consideration and balancing of the policy issues presented, however, the FDIC has adopted this statement of policy for collateralized letters of credit initially issued prior to August 9, 1989, and any subsequent renewal, replacement or extension of such letters of credit. It is understood that the persons involved in such secured transactions with insured depository institutions may reasonably rely upon this Policy Statement.

Dated at Washington, D.C., this 18th day of May, 1995.

By order of the Board of Directors.
Federal Deposit Insurance Corporation.

Robert E. Feldman,

Acting Executive Secretary.

[FR Doc. 95–12992 Filed 5–25–95; 8:45 am]

BILLING CODE 6714–01–M

FEDERAL RESERVE SYSTEM

Union Planters Corporation, et al.; Formations of; Acquisitions by; and Mergers of Bank Holding Companies

The companies listed in this notice have applied for the Board's approval under section 3 of the Bank Holding Company Act (12 U.S.C. 1842) and § 225.14 of the Board's Regulation Y (12 CFR 225.14) to become a bank holding company or to acquire a bank or bank holding company. The factors that are considered in acting on the applications are set forth in section 3(c) of the Act (12 U.S.C. 1842(c)).

Each application is available for immediate inspection at the Federal Reserve Bank indicated. Once the application has been accepted for processing, it will also be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing to the Reserve Bank or to the offices of the Board of Governors. Any comment on an application that requests a hearing must include a statement of why a written presentation would not suffice in lieu of a hearing, identifying specifically any questions of fact that are in dispute and summarizing the evidence that would be presented at a hearing.

Unless otherwise noted, comments regarding each of these applications must be received not later than June 19, 1995.

A. Federal Reserve Bank of St. Louis (Randall C. Sumner, Vice President) 411 Locust Street, St. Louis, Missouri 63166:

1. Union Planters Corporation, Memphis, Tennessee; to acquire 100 percent of the voting shares of Union Planters Bank of Central Misissippi, Jackson, Mississippi, a *de novo* bank, and to acquire 100 percent of the voting shares of Union Planters Bank of Southern Mississippi, Hattiesburg, Mississippi, a *de novo* bank.

B. Federal Reserve Bank of Dallas (Genie D. Short, Vice President) 2200 North Pearl Street, Dallas, Texas 75201-2272:

1. Andrews Bancshares, Inc., Andrews, Texas; to become a bank holding company by acquiring 100 percent of the voting shares of Andrews Delaware Financial Corporation, Dover, Delaware, and thereby indirectly acquire National Bank of Andrews, Andrews, Texas.

In connection with this application, Andrews Delaware Financial Corporation, Dover, Delaware; has also applied to become a bank holding company by acquiring 100 percent of the voting shares of National Bank of Andrews, Andrews, Texas.

Board of Governors of the Federal Reserve System, May 22, 1995.

Jennifer J. Johnson,

Deputy Secretary of the Board.

[FR Doc. 95-12976 Filed 05-25-95; 8:45 am]

BILLING CODE 6210-01-F

Farmers & Merchants Bank Employee Stock Ownership Plan; Change in Bank Control Notices; Acquisitions of Shares of Banks or Bank Holding Companies; Correction

This notice corrects a notice (FR Doc. 95–11754) published on page 25723 of the issue for Friday, May 12, 1995.

Under the Federal Reserve Bank of Atlanta heading, the entry for Farmers & Merchants Bank Employee Stock Ownership Plan, is revised to read as follows:

1. Farmers & Merchants Bank Employee Stock Ownership Plan, Forest, Mississippi; to acquire Bankers Capital Corporation, Forest, Mississippi, and thereby engage in making, acquiring or servicing loans or other extensions of credit, pursuant to § 225.25(b)(1) of the Board's Regulation Y. The proposed activity will be conducted throughout the United States.

Comments on this application must be received by May 26, 1995.

Board of Governors of the Federal Reserve System, May 22, 1995.

Jennifer J. Johnson,

Deputy Secretary of the Board.

[FR Doc. 95–11754 Filed 5–11–95; 8:45 am]

BILLING CODE 6210–01–F

Michael J. Corliss; Change in Bank Control Notice

Acquisition of Shares of Banks or Bank Holding Companies

The notificant listed below has applied under the Change in Bank Control Act (12 U.S.C. 1817(j)) and § 225.41 of the Board's Regulation Y (12