



Retail Repurchase Agreements

FIL-107-96
December 27, 1996

TO: CHIEF EXECUTIVE OFFICER
SUBJECT: *Rescission of the FDIC Statement of Policy on Retail Repurchase Agreements*

The FDIC Board of Directors has rescinded the FDIC Statement of Policy on Retail Repurchase Agreements. A copy of the Federal Register notice is attached. The Government Securities Act of 1986 and the Interagency Statement on Retail Sales of Nondeposit Investment Products (FIL-9-94) continue to apply to retail repurchase agreements. The issuance of retail repurchase agreements also has implications under the federal securities laws. Banks should, therefore, consult legal counsel before engaging in retail repurchase activities. At a minimum, banks should continue to disclose that a retail repurchase agreement is not a deposit and is not insured by the FDIC. Disclosure should also include the nature and terms of the retail repurchase agreement, including a clear delineation of the rights and liabilities of the parties to the agreement. In addition, banks should explain that the retail repurchase agreement is subject to default risk. For more information, please contact your Division of Supervision Regional Office.

Nicholas J. Ketcha Jr.
Director

Attachment

[HTML File](#), [PDF File](#) (12 kb, [PDF help](#) or [hard copy](#)),

Distribution: FDIC-Supervised Banks (Commercial and Savings)

Note: Paper copies of FDIC financial institution letters may be obtained through the FDIC's Public Information Center, 801 17th Street, N.W., Room 100, Washington, D.C. 20434 ((703) 562-2200)