



Notification of Officer and Director Appointments

FIL-18-97
March 10, 1997

TO: CHIEF EXECUTIVE OFFICER
SUBJECT: *Elimination of Advance Notice Requirement for Some Institutions*

The Economic Growth and Regulatory Paperwork Reduction Act of 1996 amended Section 32 of the Federal Deposit Insurance Act, which requires advance notification to regulators when appointing Directors and officers in certain institutions.

The amendment eliminates the advance notice requirement for institutions that have been in existence less than two years, and those that have undergone a change of control within the past two years. Undercapitalized institutions and institutions in "troubled condition" (as defined in Part 303.14 of the FDIC's Rules and Regulations) must continue to provide at least 30 days written notice to their primary federal regulator of any pending appointments to the institution's board of Directors or senior executive staff. In addition, the amendment grants the federal agencies the authority to require prior notification and approval in situations where the agencies believe that such notification is appropriate.

This statutory provision took effect on September 30, 1996. Although Part 303.14 of the FDIC's Rules and Regulations has not yet been amended to incorporate this statutory change, institutions that are no longer covered by Section 32 may stop providing the notifications.

Please share this information with the appropriate personnel in your institution. For further information, please contact your Division of Supervision Regional Office.

Nicholas J. Ketcha Jr.
Director

Distribution: FDIC-Supervised Banks (Commercial and Savings)

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Congress created the Federal Deposit Insurance Corporation in 1933 to maintain public confidence in the nation's banking system. The FDIC insures deposits at the nation's 12,000 banks and savings associations and it promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed.

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