

federal register

**Monday
October 24, 1988**

Part L

Federal Home Loan Bank Board

Semiannual Regulatory Agenda

FEDERAL HOME LOAN BANK BOARD (FHLBB)

FEDERAL HOME LOAN BANK BOARD

12 CFR Ch. V

[No. 88-853]

Agenda of Federal Regulations

AGENCY: Federal Home Loan Bank Board.

ACTION: Publication of agenda items.

SUMMARY: The Federal Home Loan Bank Board is hereby publishing items for the "October Unified Agenda of Federal Regulations."

ADDRESS: Information Services Division, Office of the Secretariat, Federal Home

Loan Bank Board, 1700 G Street, NW., Washington, DC 20552.

FOR FURTHER INFORMATION CONTACT: See persons listed below for specific agenda items.

Dated: August 29, 1988.
By the Federal Home Loan Bank Board.
Nadine Y. Washington,
Assistant Secretary.

FEDERAL HOME LOAN BANK BOARD (FHLBB)

Proposed Rule Stage

3723. ● RULES OF PRACTICE AND PROCEDURE

Significance: Agency Priority

Legal Authority: 12 USC 1730; 12 USC 1464; 12 USC 1730q; 12 USC 1730a; PL 89-695; PL 89-630

CFR Citation: 12 CFR 509; 12 CFR 512

Legal Deadline: None

Abstract: The Bank Board is proposing revisions to 12 CFR Parts 509 and 512 respectively, its regulations governing rules of practice and procedure in adjudicatory proceedings. The proposed revisions to Part 509 would streamline prehearing procedures with a view toward expediting the proceedings, clarify the authority of Administrative Law Judges appointed to conduct the proceedings, and add several new provisions. The proposed revisions to Part 512 would be of a clarifying and technical nature and would update several provisions of the rules relating to the conduct of investigative and formal examination proceedings.

There are no alternatives that would be less burdensome than the proposed amendments in addressing the concerns expressed above.

The potential costs and benefits of the proposed regulations on the industry have not been quantified.

Timetable:

Action	Date	FR Cite
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Next Action Undetermined

Small Entities Affected: None

Government Levels Affected: None

Analysis: Regulatory Flexibility Analysis

Agency Contact: Gary A. Gregenheimer, Senior Attorney, Office of Enforcement, Federal Home Loan Bank Board, 1735 Eye Street, N.W., Washington D.C. 20552, 202 653-2612

RIN: 3068-AA64

3724. ● READMISSION OF FEDERAL HOME LOAN BANK MEMBERS TERMINATING THEIR STATUS AS INSURED INSTITUTIONS

Significance: Agency Priority

Legal Authority: 12 USC 1730(i); PL 89-695; 12 USC 1426(i)

CFR Citation: 12 CFR 523

Legal Deadline: None

Abstract: The Bank Board is proposing to amend its regulations governing applications for membership in the Federal Home Loan Bank ("FHLBank") System by institutions that have been removed from membership under the National Housing Act by virtue of the termination of Federal Savings and Loan Insurance Corporation ("FSLIC") insurance of their accounts. Specifically, the proposal would amend Part 523 of the Boards Rules and Regulations for the Federal Home Loan Bank System, to provide that an FHLBank member that terminates its status as an FSLIC-insured institution

and is thereby removed from FHLBank membership (as well as any other member whose membership is terminated pursuant to section 6(i) of the Federal Home Loan Bank Act), may be readmitted as a member only after the expiration of a five year period following its departure from the FHLBank System.

There are no alternatives that would be less burdensome than the proposal in addressing the concerns expressed above.

The potential costs and benefits of the proposed regulation on the industry have not been quantified.

Timetable:

Action	Date	FR Cite
NPRM	08/15/88	53 FR 30686
NPRM Comment Period End	10/14/88	53 FR 30686
Final Action	00/00/00	

Small Entities Affected: None

Government Levels Affected: None

Analysis: Regulatory Flexibility Analysis

Agency Contact: John A. Buchman, Deputy Director for Industry Structure, Corporate and Securities Division, Federal Home Loan Bank Board, 1700 G Street N.W., Washington, DC 20552, 202 377-8963

RIN: 3068-AA66

FEDERAL HOME LOAN BANK BOARD (FHLBB)

Final Rule Stage

3725. CONSERVATORS AND RECEIVERS

Legal Authority: 12 USC 1464; 12 USC 1724(d); 12 USC 1729; PL 99-120, Sec 6

CFR Citation: 12 CFR 547; 12 CFR 548; 12 CFR 549; 12 CFR 563.8-3, (proposed new section); 12 CFR 563.39(a); 12 CFR 569a; 12 CFR 569b, (proposed new Part); 12 CFR 569c, (proposed new Part)

Legal Deadline: None

Abstract: The Board is proposing extensive revisions to its regulations governing the conservatorship and receivership of associations chartered by the Board or the accounts of which that are insured by the Federal Savings and Loan Insurance Corporation. The Board will unify the appointment of receiver procedures for state and federal institutions; adopt procedures for appointment of receivers under section 406(c)(1)(B) of the National Housing Act; and address the priorities in liquidation and participation interests in liquidation, which are absent from or inadequately covered in the present regulations. The Board is also proposing that its regulations cover topics such as the effect of the receivership appointment on executory contracts, employment agreements, certain "Golden Parachute" agreements, participation agreements, repurchase agreements, and on agreements relating to secured and unsecured borrowings by an insured institution, including agreements providing for prepayment or default penalties. The proposed regulations provide for new rules of general applicability in the areas previously mentioned, clarify existing provisions, and reorganize and recodify all the (cont)

Timetable:

Action	Date	FR Cite
NPRM	11/08/85	50 FR 48970
NPRM	11/27/85	50 FR 48970
Publication of Board Action		
NPRM Comment Period End	01/22/86	
Final Action	00/00/00	

Small Entities Affected: None

Government Levels Affected: None

Additional information: ABSTRACT CONT: regulations governing conservatorships and receiverships.

There are no alternatives being considered by the Board in lieu of the proposed regulation that would have

less impact on small institutions, consistent with the intended result, than the concerns expressed in the supplementary information to the proposed rule and the existing statutory requirements concerning receiverships and conservatorships.

The potential costs and benefits of the proposed regulation on the industry have not been quantified.

On July 5, 1988, the Board promulgated as a final rule certain portions of this proposed rule.(53 F.R.25129) The final rule establishes a priority structure for unsecured claims applicable to all FSLIC receiverships under a new Part 569c of Title 12 of the Code of Federal Regulations.

Agency Contact: Lawrence W. Hayes, Deputy General Counsel for FSLIC, O.G.C., Federal Home Loan Bank Board, 1700 G St. NW, Washington, DC 20552, 202 377-6428

RIN: 3068-AA07

3726. CORPORATE GOVERNANCE, PARTS III AND IV

Legal Authority: 12 USC 1464; 12 USC 2609

CFR Citation: 12 CFR 501.12, (new section); 12 CFR 543.10-5; 12 CFR 544.9-2, (new section); 12 CFR 544.10-5; 12 CFR 545.2; 12 CFR 545.3; 12 CFR 545.12; 12 CFR 545.21; 12 CFR 454.32; 12 CFR 545.33; 12 CFR 545.34; 12 CFR 545.46; 12 CFR 545.74; 12 CFR 545.91; 12 CFR 545.95; ...

Legal Deadline: None

Abstract: The Bank Board is proposing extensive revisions to its regulations regarding the corporate governance of Federal associations in order to update and clarify these regulations. Due to the magnitude of the revisions, the Bank Board has presented the proposal in parts, issued separately for public comment. The proposed regulations would reorganize portions of Subchapter C (the regulations for federally chartered associations) and amend and add sections to provide a more cohesive and complete body of rules for the corporate governance of Federal associations. Part I, previously proposed, would provide definitions and rules for the organization and incorporation of Federal associations. Part II, also previously proposed, would contain provisions regarding the corporate structure and governing processes for Federal stock associations

and Federal mutual associations. Part III proposes revisions to the rules governing operations of and charter conversion from and to Federal associations. Part IV proposes provisions regarding conservatorships, receiverships, trust powers, miscellaneous provisions, Board rulings, and statements of policy. The (cont)

Timetable:

Action	Date	FR Cite
NPRM	07/09/87	52 FR 25870
NPRM Comment Period End	02/01/88	52 FR 42116
Final Action	00/00/00	

Small Entities Affected: None

Government Levels Affected: None

Analysis: Regulatory Flexibility Analysis

Additional information: CFR citation (cont'd) 12 CFR 545.114, 12 CFR 545.121, 12 CFR 545.123, 12 CFR 545.131, 12 CFR 546.1, 12 CFR 546.2, 12 CFR 546.3, 12 CFR 546.4, 12 CFR 546.5, 12 CFR 546.6, 12 CFR 546.7, 12 CFR 546.8, 12 CFR 546.9, 12 CFR 546.10, 12 CFR 546.11, and 12 CFR 551.

Abstract Cont: proposed rule would apply equally to all insured institutions.

There are no alternatives that would be less burdensome than the proposal in addressing the concerns expressed above.

The potential costs and benefits of the proposed regulation on the industry have not been quantified.

Agency Contact: Kathleen M. Ulrich, Staff Attorney, Corporate and Securities Division, Office of General Counsel, Federal Home Loan Bank Board, 1700 G Street, NW, Washington, DC 20552, 202 377-7049

RIN: 3068-AA25

3727. ACCOUNTING POLICY RELATING TO ACQUISITION, DEVELOPMENT AND CONSTRUCTION LOANS

Legal Authority: Notice to Practitioners on ADC Loans, CPA Letter, Feb 10, 1986

CFR Citation: 12 CFR 571.1

Legal Deadline: None

Abstract: The Bank Board proposed to amend its statement of accounting policy relating to acquisition, development and construction ("ADC")

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loans used by all institutions the accounts of which are insured by the Federal Savings and Loan Insurance Corporation ("FSLIC") or affiliates thereof when preparing reports or financial statements for filing with the Bank Board or the FSLIC. The amendments relate to the recent "Notice to Practitioners" issued by the American Institute of Certified Public Accountants, which superseded two prior notices issued in November 1983 and November 1984, and to the public position regarding the effective date of the recent notice taken by the Chief Accountant of the Securities and Exchange Commission. By proposing this amendment to its statement of policy, the Bank Board is adhering to its policy that insured institutions are expected to apply the guidance of the accounting profession for determining whether a transaction characterized as an ADC loan is in fact a loan or whether, in substance, it is a real estate investment or a joint venture. The proposed rule would apply equally to all insured institutions. (cont)

Timetable:

Action	Date	FR Cite
NPRM	03/13/87	52 FR 7887
NPRM Comment Period End	05/12/87	52 FR 7887
Final Action	00/00/00	

Small Entities Affected: None

Government Levels Affected: None

Analysis: Regulatory Flexibility Analysis

Additional information:

There are no alternatives that would be less burdensome than the proposed rule in addressing the concerns expressed above.

The potential costs and benefits of the proposed regulation on the industry have not been quantified.

Agency Contact: Deborah Dakin, Regulatory Counsel, Regulations and Legislation Division, Office of General Counsel, Federal Home Loan Bank Board, 1700 G Street, NW, Washington, DC 20552, 202 377-6445

RIN: 3068-AA27

3728. INSURANCE TERMINATION PROVISIONS

Legal Authority: 12 USC 1464; 12 USC 1727; 12 USC 1730

CFR Citation: 12 CFR 565

Legal Deadline: None

Abstract: The Bank Board is reviewing a number of issues relating to the extent to which institutions insured by the Federal Savings and Loan Insurance Corporation ("FSLIC") that terminate their insured status in connection with transfers by operation of law must pay a final insurance premium to the FSLIC. As part of its review, the Bank Board is soliciting public comment to ascertain whether to issue a proposal in this area. On October 7, 1986, the Bank Board adopted a clarifying amendment to the definition of "transfers" set forth in its statement of policy regarding mergers and transfers of assets. (12 CFR 571.5(a)). However, as the clarification indicates, the interpretation did not specifically address the separate issues of whether an insured institution undertaking a transfer of assets and liabilities by operation of law in which the surviving entity is not FSLIC-insured must pay a final insurance premium to the FSLIC, and if so, the amount of such payment. The Bank Board has been reviewing this so-called "exit premium" issue on an ongoing basis and as yet has made no final determination with respect to this matter.

Timetable:

Action	Date	FR Cite
ANPRM	05/08/87	52 FR 17408
ANPRM Comment Period End	07/07/87	52 FR 17408
Final Action	00/00/00	

Small Entities Affected: None

Government Levels Affected: None

Additional information: ABSTRACT CONT: In view of the continued importance of this issue as it relates to the financial condition of the FSLIC insurance fund, the Bank Board is hereby soliciting public comment on this subject.

Since the proposal is only an advance notice of proposed rulemaking, the potential costs and benefits of a proposed regulation on the industry have not been quantified.

Agency Contact: John A. Buchman, Assistant Deputy Director, Corporate and Securities Division, Office of General Counsel, Federal Home Loan

Bank Board, 1700 G Street, NW, Washington, DC 20552, 202 377-6963

RIN: 3068-AA28

3729. INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES OF FEDERAL HOME LOAN BANKS

Legal Authority: 5 USC 553

CFR Citation: 12 CFR 522.72

Legal Deadline: None

Abstract: The Bank Board is proposing to amend its regulations governing the indemnification of directors, officers, and employees of the Federal Home Loan Banks ("FHL Banks"). This amendment would clarify that expenses incurred by FHL Bank directors, officers, and employees in connection with litigation are to be reimbursed as they are incurred, but that, by majority vote of its board of directors, a FHL Bank could require repayment of expenses that it finds to have been beyond the scope of the Bank Board's indemnification regulation. The proposal applies only to directors, officers, and employees of the FHL Banks, none of which falls within the definition of a "small financial institution" given by the Small Business Administration.

There are no alternatives that would be less burdensome than the proposal in addressing the concerns expressed above.

The potential costs and benefits of the proposal on the industry have not been quantified.

Timetable:

Action	Date	FR Cite
NPRM	04/16/87	52 FR 12425
NPRM Comment Period End	06/15/87	52 FR 12425
Final Action	00/00/00	

Small Entities Affected: None

Government Levels Affected: None

Analysis: Regulatory Flexibility Analysis

Agency Contact: Joan Van Berg, Attorney, Regulations and Legislation Division, Office of General Counsel, Federal Home Loan Bank Board, 1700 G Street, NW, Washington, DC 20552, 202 377-7023

RIN: 3068-AA30

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3730. ● ASSESSMENT AND ADJUSTMENT OF ADDITIONAL PREMIUMS**Significance:** Agency Priority**Legal Authority:** 12 USC 1727**CFR Citation:** 12 CFR 563.15; 12 CFR 563.16**Legal Deadline:** None

Abstract: The Bank Board is proposing to amend its Insurance Regulations by adding a new regulation regarding the assessment of additional insurance premiums against institutions the accounts of which are insured by the Federal Savings and Loan Insurance Corporation ("FSLIC"). The proposal would implement by regulation the FSLIC's authority to assess additional insurance premiums and would provide for an adjustment of such premiums based on insured institutions' capital levels. In the Board's view, it is important to base the amount of additional insurance premiums assessed on the amount of capital held by an insured institution because capital provides the most effective buffer against loss and risk to the FSLIC fund. The primary purpose of the proposal is to offer insured institutions an incentive to raise capital.

There are no alternatives that would be less burdensome than the proposal in addressing the concerns expressed above.

Timetable:

Action	Date	FR Cite
NPRM	04/21/88	53 FR 13131
NPRM Comment Period End	06/06/88	53 FR 13131
Final Action	00/00/00	

Small Entities Affected: Businesses**Government Levels Affected:** None**Analysis:** Regulatory Flexibility Analysis

Agency Contact: Richard Schwartz, Staff Attorney, Regulations and Legislation Division, Office of General Counsel, Federal Home Loan Bank Board, 1700 G Street, N.W., Washington, D.C. 20552, 202 377-6897

RIN: 3068-AA60**3731. ● PREAPPROVED SECURITIES BROKERAGE SERVICE CORPORATION ACTIVITIES****Significance:** Agency Priority**Legal Authority:** 12 USC 1464; 12 USC 1425a; 12 USC 1725 to 1726; 12 USC 1730**CFR Citation:** 12 CFR 545.74**Legal Deadline:** None

Abstract: The Board is proposing to adopt amendments to 12 CFR 545.74, its service corporation regulations, by inserting a new paragraph 545.74(c)(4) "security brokerage activities" and renumbering subsequent paragraphs. The purpose to the proposed amendments is to enable service corporations to commence certain types of securities brokerage activities, without preparing an application and obtaining individual Board approval. The amendments designate certain types of securities brokerage activities as preapproved service corporation activities.

Other alternatives, such as the present rules, may tend to prolong the waiting period for permission to engage in brokerage activities. More liberal provisions may raise questions of statutory authority.

The potential costs and benefits of the proposed regulation on the industry have not been quantified.

Timetable:

Action	Date	FR Cite
NPRM	05/05/88	53 FR 16148
NPRM Comment Period End	06/06/88	53 FR 16148
Final Action	00/00/00	

Small Entities Affected: Businesses**Government Levels Affected:** None**Analysis:** Regulatory Flexibility Analysis

Agency Contact: Dean V. Shahinian, Deputy Director for Corporate Activities, Corporate and Securities Division, Federal Home Loan Bank Board, 1700 G street, N.W., Washington, D.C. 20552, 202 377-7289

RIN: 3068-AA61**3732. ● INVESTMENT PORTFOLIO POLICY AND ACCOUNTING GUIDELINES****Significance:** Agency Priority**Legal Authority:** 12 USC 1730; 12 USC 1464; 12 USC 1725 to 1726; 15 USC 78c**CFR Citation:** 12 CFR 571.19; 12 CFR 563c**Legal Deadline:** None

Abstract: The Board is proposing to amend its regulations governing institutions insured by the Federal Savings and Loan Insurance Corporation by adopting a statement of policy and by amending its rules to clarify that insured institutions must account for securities held for investment sale and/or trading in accordance with generally acceptable accounting procedures ("GAAP"). The proposed policy statement requires an insured institution's board of directors to document and monitor its investment in policy and strategies; discuss the appropriate documentation of investment decisions; summarize GAAP applicable to securities held for investment, sale, and/or trading; and offer guidance on the application of GAAP by insured institutions in determining when securities should be accounted for as a security held for trading. The Board's intent is to provide guidance and clarifications to insured institutions on the accounting for and classification of investment in securities within the confines of existing accounting literature.

Timetable:

Action	Date	FR Cite
NPRM	06/21/88	53 FR 23247
NPRM Comment Period End	08/22/88	53 FR 23247
Final Action	00/00/00	

Small Entities Affected: Businesses**Government Levels Affected:** None**Analysis:** Regulatory Flexibility Analysis

Agency Contact: Julie A. Gerschick, Professional Accounting Fellow, Office of Regulatory Activities, Federal Home Loan Bank Board, 801 17th Street, N.W., Washington, D.C. 20006, 202 331-4583

RIN: 3068-AA62**3733. ● TRANSACTIONS WITH AFFILIATES****Significance:** Agency Priority**Legal Authority:** 12 USC 1730a; 12 USC 1425a; 12 USC 1462; 12 USC 1724; PL 100-86**CFR Citation:** 12 CFR 584.3**Legal Deadline:** None

Abstract: The Bank Board is proposing to amend its regulations pertaining to transactions between institutions whose accounts are insured by the Federal

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Savings and Loan Insurance Corporation and affiliates of those institutions. The proposed amendments (1) define and clarify the applicability of the limitations and prohibitions specified in sections 23A and 23B of the Federal Reserve Act and (2) clarify the applicability of the limitations and prohibitions specified in the Board's regulations existing prior to the Competitive Equality Banking Act (CEBA). The proposed amendments are intended to further the Congressional intent codified in CEBA by providing parity between a bank and a thrift holding company with respect to the treatment of transactions between the subsidiary depository institution and its

affiliates engaged in activities permissible for a bank holding company under the Bank Holding Company Act and the regulations thereunder.

There are no alternatives that would be less burdensome than the proposed rule in addressing the concerns expressed above.

The potential costs and benefits of the regulation on(con't)

Timetable:

Action	Date	FR Cite
NPRM	06/10/88	53 FR 21838
NPRM Comment Period End	08/09/88	53 FR 21838
Final Action	00/00/00	

Small Entities Affected: None

Government Levels Affected: None

Analysis: Regulatory Flexibility Analysis

Additional Information: the industry have not been quantified.

Agency Contact: Steven J. Gray, Attorney, Corporate and Securities Division, Federal Home Loan Bank Board, 1700 G Street, N.W., Washington DC 20552, 202 377-7506

RIN: 3068-AA65

FEDERAL HOME LOAN BANK BOARD (FHLBB)

Completed Actions

3734. LOANS TO ONE BORROWER

Legal Authority: 12 USC 1421 to 1429; 12 USC 1464(c); 12 USC 1724 to 1730

CFR Citation: 12 CFR 563.9-3

Legal Deadline: None

Abstract: The Bank Board proposes to amend its regulation pertaining to loans to one borrower in a number of ways, most significantly to reduce the amount of aggregate loans to one borrower that may be made by an institution the accounts of which are insured by the FSLIC. The proposal is intended to reduce risk to insured institutions and the FSLIC without depriving institutions of appropriate operational flexibility. To this end, the Board invites comment on all aspects of the proposal.

The Bank Board is soliciting comment on possible alternatives to the rule as proposed in addressing the concerns expressed above.

The potential costs and benefits of the proposed regulation on the industry have not been quantified.

The proposed rule would apply equally to all insured institutions.

Timetable:

Action	Date	FR Cite
NPRM	08/15/86	51 FR 30225
NPRM Publication of Board Action	08/25/86	51 FR 30225
NPRM Comment Period End	10/24/86	51 FR 30225
Withdrawn	04/21/88	53 FR 13133

Action

Final Action 00/00/00

Small Entities Affected: Businesses

Government Levels Affected: None

Analysis: Regulatory Flexibility Analysis

Additional Information: Pursuant to the adopted regulatory review procedures, Board Resolution No. 88-269, (4/21/88), the Bank Board has withdrawn the Loans to One Borrower proposed regulation adopted by the Board on August 15, 1986, 51 FR 30225.

Agency Contact: Daniel G. Lonergan, Deputy Director, Regulations and Legislation Division, Office of General Counsel, Federal Home Loan Bank Board, 1700 G Street, NW, Washington, DC 20552, 202 377-6458

RIN: 3068-AA19

3735. REGULATORY CAPITAL REQUIREMENTS OF INSURED INSTITUTIONS

Legal Authority: 12 USC 1726

CFR Citation: 12 CFR 563.13

Legal Deadline: None

Abstract: The Bank Board is amending its regulation setting the regulatory capital requirements for institutions insured by the Federal Savings and Loan Insurance Corporation by changing the method of computing the annual calculation of industry profits basing it on the median return on all

assets of all insured institutions. The rule would apply equally to all insured institutions.

There are no alternatives that would be less burdensome than the rule in addressing the concerns expressed above.

The potential costs and benefits of the regulation on the industry have not been quantified.

Timetable:

Action	Date	FR Cite
NPRM	06/25/87	52 FR 23845
NPRM Comment Period End	08/24/87	52 FR 23845
Final Action	04/06/88	53 FR 11243
Final Action Effective	04/29/88	53 FR 11243

Small Entities Affected: None

Government Levels Affected: None

Analysis: Regulatory Flexibility Analysis

Agency Contact: Deborah Dakin, Regulatory Counsel, Regulations and Legislation Division, Office of General Counsel, Federal Home Loan Bank Board, 1700 G Street, NW, Washington, DC 20552, 202 377-6445

RIN: 3068-AA22

3736. SETTLEMENT OF INSURANCE

Legal Authority: 12 USC 1724 to 1730g

CFR Citation: 12 CFR 564.2; 12 CFR 564.9

Legal Deadline: None

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Completed Actions

Abstract: The Bank Board has amended its regulations pertaining to the settlement of insurance by deleting the requirement that each co-owner of a joint account must personally execute a signature card for the account in order for the account to be separately insured. The Bank Board believes the present rule has caused hardship to depositors and added to the recordkeeping burden on institutions without appreciably reducing the risks of fraudulent claims of entitlement to separate joint account insurance coverage. The Bank Board amendments also consolidate provisions of its regulations governing joint accounts, clarify the provisions affecting joint accounts established by intermediaries and revise the appendix and examples illustrating joint account insurance coverage.

There are no alternatives that would be less burdensome than the rule in addressing the concerns described above.

The potential costs and benefits of the regulation on the industry have not been quantified.

Timetable:

Action	Date	FR Cite
NPRM	07/10/87	52 FR 26017
NPRM Comment Period End	09/08/87	52 FR 26017
Final Action	03/14/88	53 FR 8169

Small Entities Affected: None

Government Levels Affected: None

Analysis: Regulatory Flexibility Analysis

Agency Contact: Deborah Dakin, Regulatory Counsel, Regulations and Legislation Division, Office of General Counsel, Federal Home Loan Bank Board, 1700 G Street, NW, Washington, DC 20552, 202 377-6445

RIN: 3068-AA23

3737. BANK SECRECY ACT COMPLIANCE PROCEDURES

Legal Authority: 31 CFR 103; 12 USC 1464; 12 USC 1730; PL 99-570, Sec 1359; 31 USC 5311 to 5322

CFR Citation: 12 CFR 563.17-7

Legal Deadline: NPRM, Statutory, April 27, 1987.

Section 1359 of the Anti-Drug Abuse Act of 1986, Pub.L.No. 99-570, required

establishment of a Bank Secrecy Act compliance program by April 27, 1987.

Abstract: The Bank Board is proposing to amend for purposes of clarification, its recently adopted regulation which requires insured institutions to establish and maintain procedures to assure and monitor compliance with the requirements of the Bank Secrecy Act ("BSA"), including the Currency and Foreign Transactions Reporting Act and the implementing regulations of the U.S. Department of the Treasury, 31 CFR Part 103. The proposed rule sets forth in greater detail the elements required to be in a BSA compliance program, in particular, the requirements of BSA compliance testing and continuing education. The proposed rule would apply equally to all insured institutions.

The proposed rule for BSA compliance programs establishes a minimum system for verifying and encouraging compliance with the BSA in accordance with Congressional concern.

Alternatively, the Bank Board could have required an in-depth audit of insured institutions' compliance by independent auditors. The Bank Board believes that such an alternative would have been less flexible and more restrictive for insured institutions.

(cont)

Timetable:

Action	Date	FR Cite
NPRM	05/08/87	52 FR 17406
NPRM Comment Period End	07/07/87	52 FR 17406
Withdrawn	04/21/88	53 FR 13133
Final Action	00/00/00	

Small Entities Affected: None

Government Levels Affected: None

Analysis: Regulatory Flexibility Analysis

Additional Information: 9. Abstract Cont:

The potential costs and benefits of the proposed regulation on the industry have not been quantified.

Pursuant to the adopted regulatory review procedures Board Resolution No. 88-269,(4/21/88) the Bank Board has withdrawn the Bank Secrecy Act Compliance Procedures adopted by the Board on April 30, 1987. 52 FR 17406 (May 8, 1987).

Agency Contact: C. Dawn Causey, Attorney, Office of Enforcement, Federal Home Loan Bank Board, 1735 I

Street, NW, Washington, DC 20006, 202 653-2624

RIN: 3068-AA24

3738. ADJUSTABLE-RATE MORTGAGE HOME LOAN DISCLOSURES

Legal Authority: 12 USC 1724 to 1730; 12 USC 3801 et seq; 12 CFR 226.17; 12 CFR 226.19

CFR Citation: 12 CFR 545.33; 12 CFR 563.9-9

Legal Deadline: None

Abstract: The Bank Board final amendments to its regulations regarding the disclosures and notices that lenders must give to borrowers concerning adjustable-rate mortgage ("ARM") home loans. The new rule changes the timing for the ARM disclosures and simplifies disclosures concerning the ARM program(s) being offered to the consumer but continues to use the ARM's handbook. The revision clarifies the Bank Board's regulation and implements the uniform disclosure of ARMs recommended by the Federal Financial Institutions Examination Council on August 12, 1986. The changes are being made in conjunction with the Board of Governors of the Federal Reserve System. A provision referencing the maximum interest rate cap requirement of the Competitive Equality Banking Act of 1987 is also included.

There are no alternatives that would be less burdensome than the rule in addressing the concerns expressed above.

The potential costs and benefits of the regulation on the industry have not been quantified.

Timetable:

Action	Date	FR Cite
NPRM	02/05/87	52 FR 3665
NPRM Comment Period End	03/09/87	52 FR 3665
Final Action	05/23/88	53 FR 18262
Optional compliance until October 1,1988.		
Final Action Effective	05/23/88	53 FR 18262

Small Entities Affected: None

Government Levels Affected: None

Analysis: Regulatory Flexibility Analysis

FHLBB

Completed Actions

Agency Contact: Stephen D. Johnson, Attorney/Advisor, Division of Consumer and Civil Rights, Office of Community Investment, Federal Home Loan Bank Board, 1700 G Street, NW, Washington, DC 20552. 202 653-2679

RIN: 3068-AA26

3739. ISSUANCE AND FORM OF STOCK IN FEDERAL HOME LOAN BANKS

Legal Authority: 12 USC 1426

CFR Citation: 12 CFR 522.10

Legal Deadline: None

Abstract: The Bank Board is adopting final amendments to its regulations to authorize the capital stock of the Federal Home Loan Bank ("Bank") to be represented in uncertificated, i.e. book entry form. Currently, the Regulations provide for Bank Stock to be issued in certificated form only, but on the basis of an earlier legal opinion by the Board's Office of General Counsel, some Banks are now issuing uncertificated stock. The amendment would clarify a Bank's authority both to issue uncertificated stock or convert certificated stock to book entry form. No Bank that converts to a book entry system will be required to issue stock in certificated form.

The potential costs and benefits of the proposed regulation on the industry have not been quantified.

Timetable:

Action	Date	FR Cite
NPRM	08/05/87	52 FR 29030
NPRM Comment Period End	10/05/87	52 FR 29030
Final Action	05/23/88	53 FR 18261
Final Action Effective	07/22/88	53 FR 18261

Small Entities Affected: None

Government Levels Affected: None

Analysis: Regulatory Flexibility Analysis

Agency Contact: Richard L. Little, Associate General Counsel, Corporate and Securities Division, Office of General Counsel, Federal Home Loan Bank Board, 1700 G Street, N. W. 20552, 202 377-6447

RIN: 3068-AA43

3740. AVAILABILITY AND CHARACTER OF RECORDS

Legal Authority: 5 USC 552; 12 USC 552; 12 USC 1421 et seq; 12 USC 1725; PL 99-570

CFR Citation: 12 CFR 505.4

Legal Deadline: None

Abstract:

The Bank Board proposed to amend its public access to information regulations on fees and fee waivers in order to comply with the Freedom of Information Reform Act of 1986 ("FOI Reform Act"). The Bank Board's regulations are issued in conformance with Office of Management and Budget ("OMB") guidelines and schedule of fees. Pursuant to the FOI Reform Act and the final OMB guidelines, the Bank Board proposes to set fees to recover the full direct costs incurred by the Bank Board in searching for, reviewing, and duplicating documents in response to FOIA requests. New fees are established for manual search, computer search, and review of records. In compliance with the FOI Reform Act, requesters are classified into four categories for the purposes of making fee assessments: commercial use requesters; educational and noncommercial scientific institution requesters; representatives of the news media; and all other requesters.

There are no alternatives that would be less burdensome than the proposed rule in addressing the concerns expressed above.

The potential costs and benefits of the proposed regulation

Timetable:

Action	Date	FR Cite
NPRM	11/27/87	52 FR 45346
NPRM Comment Period End	12/28/87	52 FR 45346
Final Action	05/05/88	53 FR 16054
Final Action Effective	05/05/88	

Small Entities Affected: None

Government Levels Affected: None

Analysis: Regulatory Flexibility Analysis

Additional Information:

ABSTRACT CONT:

on the industry have not been quantified.

Agency Contact: William Van Lenten, Assistant General Counsel, Office of General Counsel, Federal Home Loan Bank Board, 1700 G Street, N. W., Washington, D. C. 20552, 202 377-6773

RIN: 3068-AA51

3741. ● TRANSACTIONS WITH AFFILIATES OF SUBSIDIARY INSURED INSTITUTIONS

Legal Authority: PL 100-86; 12 USC 1730a; 12 USC 1843(c); 12 USC 371c

CFR Citation: 12 CFR 563.41; 12 CFR 563.43

Legal Deadline: None

Abstract: The Bank Board is proposing to amend its regulations pertaining to transactions between institutions whose accounts are insured by the Federal Savings and Loan Insurance Corporation and affiliates of those insured institutions. The proposed amendments provide, in effect, that the conflict of interest provisions of the Board's regulations will not be applicable to transactions between holding company subsidiary insured institutions and their affiliates (other than natural persons that are controlling shareholders). The proposed rule would apply to all insured institutions.

There are no alternatives that would be less burdensome than the proposal in addressing the concerns above.

Timetable:

Action	Date	FR Cite
NPRM	04/28/88	53 FR 15230
NPRM Comment Period End	06/13/88	53 FR 15230
Final Action	08/19/88	53 FR 31699
Final Action Effective	09/19/88	53 FR 31699

Small Entities Affected: Businesses

Government Levels Affected: None

Analysis: Regulatory Flexibility Analysis

Agency Contact: Steven J. Gray, Attorney, Corporate and Securities Division, Federal Home Loan Bank Board, 1700 G Street N.W., Washington, D.C. 20006, 202 377-7506

RIN: 3068-AA59

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Completed Actions

3742. ● OVER-THE-COUNTER FINANCIAL OPTIONS TRANSACTIONS; ACCOUNTING FOR FINANCIAL OPTIONS**Significance:** Agency Priority**Legal Authority:** 12 USC 1421; 12 USC 1425; 12 USC 1437; 12 USC 1462; 12 USC 1464; 12 USC 1724; 12 USC 1730a**CFR Citation:** 12 CFR 563.17**Legal Deadline:** None

Abstract: The Bank Board is amending its regulations pertaining to financial option transactions by institutions whose accounts are insured by the Federal Savings and Loan Insurance Corporation. Specifically, the Board is amending its regulations to allow insured institutions to engage in over-the-counter ("OTC") financial option transactions with certain types of counterparties in addition to primary dealers in government securities. The amendments are intended to allow insured institutions to use more effectively the authority previously granted to them to engage in OTC option transactions. These amendments will allow smaller institutions greater access to the OTC options market than permitted under the present laws.

There are no alternatives that would be less burdensome than the amendments in addressing the concerns expressed above.

Timetable:

Action	Date	FR Cite
NPRM	12/31/85	50 FR 53336
NPRM Comment Period End	03/03/86	50 FR 53336
Final Action	07/22/88	53 FR 27667
Final Action Effective	08/22/88	53 FR 27667

Small Entities Affected: Businesses**Government Levels Affected:** None**Analysis:** Regulatory Flexibility**Analysis:**

Agency Contact: Robert J. Pomeranz, Senior Policy Analyst, Office of Policy and Economic Research, Federal Home Loan Bank Board, 1700 G Street N.W., Washington, D.C. 20552, 202 377-6760

RIN: 3068-AA63**3743. ● CONSERVATORS AND RECEIVERS; PRIORITY OF CLAIMS****Significance:** Agency Priority**Legal Authority:** 12 USC 1464; 12 USC 1729; PL 90-389; PL 97-320; 12 USC 1725**CFR Citation:** 12 CFR 569c.11**Legal Deadline:** None

Abstract: The Bank Board is promulgating as a final rule certain portions of the Proposed Receivership and Conservatorship Regulations that were published in the Federal Register of November 27, 1985. This final rule adopts 569c.11 of the Proposed Receivership Regulations (with certain technical modifications to accord with the administration of recent Federal Savings and Loan Insurance Corporation ("FSLIC") receiverships), thereby establishing a priority structure for unsecured claims applicable to all FSLIC receiverships under a new Part 569c of Title 12 of the Code of Federal Regulations. This priority of claims structure replaces the provisions for priorities of unsecured claims in 12 CFR 549.5-1(b) and 569a.7.

There are no alternatives that would be less burdensome than the regulation in addressing the concerns expressed above.

The potential costs and benefits of the regulation on the industry have not been quantified.

Timetable:

Action	Date	FR Cite
NPRM	11/27/85	50 FR 48970
Final Action	07/05/88	53 FR 25129
Final Action Effective	08/04/88	53 FR 25129

Small Entities Affected: None**Government Levels Affected:** None**Analysis:** Regulatory Flexibility

Agency Contact: Lawrence W. Hayes, Deputy General Counsel, FSLIC, Office of General Counsel, Federal Home Loan Bank Board, 202 377-6428

RIN: 3068-AA68**3744. ● CONSERVATORS AND RECEIVERS; PRIORITY OF CLAIMS; DEPOSITOR PRIORITY****Significance:** Agency Priority**Legal Authority:** 12 USC 1464(d); 12 USC 1729(c); PL 90-389; 12 USC 1729(b)**CFR Citation:** 12 CFR 569c.11**Legal Deadline:** None

Abstract: The Bank Board is promulgating as a final rule a revision to its receivership regulations at 12 CFR 569a.11(a)(6) to establish a priority for withdrawable deposits and accounts, including those of the Federal Savings and Loan Insurance Corporation ("FSLIC") as subrogee or transferee, over unsecured claims of general creditors in receiverships of federally chartered associations or savings banks in states that provide such a priority for depositors in State-chartered savings and loan associations.

In a final rule published in the Federal Register of July 5, 1988, the Board promulgated certain portions of the Proposed Receivership and Conservatorship Regulations that were published in the Federal Register of November 27, 1985. The final rule established a priority structure for unsecured claims applicable to all FSLIC receiverships under new Part 569c of Title 12 of the Code of Federal Regulations. Section 569c.11(a)(6) of that rule recognized State law priorities with respect to depositors for State-chartered institutions, including a provision in that section for depositor priority over claims of unsecured general creditors for FSLIC-insured institutions chartered by (con't)

Timetable:

Action	Date	FR Cite
NPRM	07/05/88	53 FR 30665
NPRM Comment Period End	08/15/88	53 FR 30665
Final Action	08/15/88	53 FR 30665
Final Action Effective	08/15/88	53 FR 30665

Small Entities Affected: None**Government Levels Affected:** None**Analysis:** Regulatory Flexibility**Analysis:**

Additional Information: those States with depositor preference legislation. This rule amends section 569.11 to recognize a depositor priority for deposits registered at offices of federally chartered institutions located in States with depositor preference legislation.

There are no alternatives that would be less burdensome than the regulation in addressing the concerns expressed above.

The potential costs and benefits of the regulation on the industry have not been quantified.

FHLBB

Completed Actions

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RIN: 3068-AA69

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