

***In-Substance Defeasance of Debt***

The banking agencies do not permit banks to report defeasance of their debt obligations in accordance with FASB Statement No. 76. Defeasance involves a debtor irrevocably placing risk-free monetary assets in a trust solely for satisfying the debt. Under FASB Statement No. 76, the assets in the trust and the defeased debt are removed from the balance sheet and a gain or loss for the current period can be recognized. However, for Call Report purposes, banks may not remove assets or defeased liabilities from their balance sheets or recognize resulting gains or losses. FASB has recently proposed to amend GAAP to adopt an approach similar to the Call Report treatment for these transactions.

OTS practice is to follow FASB Statement No. 76.

***Sales of Assets with Recourse***

In accordance with FASB Statement No. 77, a transfer of receivables with recourse is recognized as a sale if: (1) the transferor surrenders control of the future economic benefits; (2) the transferor's obligation under the recourse provisions can be reasonably estimated; and (3) the transferee cannot require repurchase of the receivables except pursuant to the recourse provisions.

The practice of the three banking agencies is generally to permit commercial banks to report transfers of receivables with recourse as sales only when the transferring institution (1) retains no risk of loss from the assets transferred and (2) has no obligation for the payment of principal or interest on the assets transferred. As a result, virtually no transfers of assets with recourse can be reported as sales. However, this rule does not apply to the transfer of first lien 1- to 4-family residential or agricultural mortgage loans under certain government-sponsored programs (including the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation). Transfers of mortgages under these programs are generally treated as sales for Call Report purposes.

Furthermore, private transfers of first lien 1- to 4-family residential mortgages are also reported as sales if the transferring institution retains only an insignificant risk of loss on the assets transferred. However, the seller's obligation under recourse provisions related to sales of mortgage loans under the government programs is viewed as an off-balance sheet exposure. Thus, for risk-based capital purposes, capital is generally expected to be held for

recourse obligations associated with such transactions.

The OTS policy is to follow FASB Statement No. 77. However, in the calculation of risk-based capital under the OTS guidelines, off-balance sheet recourse obligations generally are converted at 100 percent. This effectively negates the sale treatment recognized on a GAAP basis for risk-based capital purposes, but not for leverage capital purposes. Thus, by making this adjustment in the risk-based capital calculation, the differences between the OTS and the banking agencies for capital adequacy measurement purposes, are substantially reduced.

***Push-Down Accounting***

When a depository institution is acquired in a purchase transaction, but retains its separate corporate existence, the institution is required to revalue all of the assets and liabilities at fair value at the time of acquisition. When push-down accounting is applied, the same revaluation made by the parent holding company is made at the depository institution level.

The three banking agencies require push-down accounting when there is at least a 95 percent change in ownership. This approach is generally consistent with interpretations of the Securities and Exchange Commission.

The OTS requires push-down accounting when there is at least a 90 percent change in ownership.

***Negative Goodwill***

The three banking agencies require that negative goodwill be reported as a liability, and not be netted against goodwill assets. Such a policy ensures that all goodwill assets are deducted in regulatory capital calculations, consistent with the Basle Accord.

The OTS permits negative goodwill to offset goodwill assets reported in the financial statements.

***Offsetting***

The three banking agencies generally prohibit netting of assets and liabilities in the Call Report. However, FASB Interpretation No. 39 (FIN 39) netting requirements have been adopted for Call Report purposes solely for assets and liabilities that arise from off-balance-sheet instruments. For example, under FIN 39, the assets and liabilities arising from these contracts may be netted when there is a legally enforceable bilateral master netting agreement.

The OTS policy on netting for all assets and liabilities is consistent with GAAP, as set forth in FIN 39. FIN 39 allows institutions to offset assets and

liabilities (e.g., loans and deposits) when four conditions are met.

Moreover, the OTS permits netting for off-balance sheet conditional and exchange contracts to the same extent as the banking agencies.

By order of the Board of Governors of the Federal Reserve System, April 4, 1996.

Jennifer J. Johnson,

*Deputy Secretary of the Board.*

[FR Doc. 96-8873 Filed 4-9-96; 8:45am]

BILLING CODE 6210-01-P

**GENERAL ACCOUNTING OFFICE****Federal Accounting Standards Advisory Board**

**AGENCY:** General Accounting Office.

**ACTION:** Notice of meeting.

**SUMMARY:** Pursuant to section 10(a)(2) of the Federal Advisory Committee Act (Pub. L. 92-463), as amended, notice is hereby given that the Federal Accounting Standards Advisory Board will meet on Thursday, April 25, 1996, from 9:00 a.m. to 4:00 p.m. in room 7C13 of the General Accounting Office, 441 G St., N.W., Washington, D.C.

The purpose of the meeting is to (1) review and approve for release for public comment the draft *Invitation for Views: Accounting for the Cost of Capital* document and (2) discuss the Codification project and the *Accounting for Natural Resources* document.

Any interested person may attend the meeting as an observer. Board discussions and reviews are open to the public.

**FOR FURTHER INFORMATION CONTACT:**

Ronald S. Young, Executive Staff Director, 750 First St., N.E., Room 1001, Washington, D.C. 20002, or call (202) 512-7350.

Authority: Federal Advisory Committee Act, Pub. L. 92-463, Section 10(a)(2), 86 Stat. 770, 774 (1972) (current version at 5 U.S.C. app. section 10(a)(2) (1988); 41 CFR 101-6.1015 (1990).

Dated: April 4, 1996.

Ronald S. Young,

*Executive Director.*

[FR Doc. 96-8852 Filed 4-9-96; 8:45 am]

BILLING CODE 1610-01-M

**DEPARTMENT OF HEALTH AND HUMAN SERVICES****Office of National AIDS Policy; Notice of Meeting of the Presidential Advisory Council on HIV/AIDS and Its Subcommittees**

Pursuant to Pub. L. 92-463, notice is hereby given of the meeting of the

Presidential Advisory Council on HIV/AIDS on April 24–26, 1996, at the Radisson Plaza Hotel, Alexandria, Virginia. The Services subcommittee of the Council will meet on Wednesday, April 24, from 9 am to 9 pm and the Research and Prevention subcommittees will meet on Wednesday, April 24 from 7 pm to 9 pm at the Radisson Plaza Hotel. The full meeting of the Presidential Advisory Council on HIV/AIDS will take place on Thursday, April 25 from 8:30 am to 5:15 pm, and Friday, April 26 from 9:00 pm to 3:30 pm at the Radisson Plaza Hotel at Mark Center, 5000 Seminary Road, Alexandria, Virginia. The meetings will be open to the public.

The purpose of the subcommittee meetings will be to finalize their recommendations and to develop a 6 month plan on how to accomplish these recommendations. The agenda of the Presidential Advisory Council on HIV/AIDS will include presentations from the Council's three subcommittees, Research, Services, and Prevention.

Jeff Levi, Deputy Director, Office of National AIDS Policy, 750 17th Street NW., Washington, DC 20503, Phone (202) 632–1090, FAX (202) 632–1096, will furnish the meeting agenda and roster of committee members upon request. Any individual who requires special assistance, such as sign language interpretation or other reasonable accommodations, should contact Ms. Kimberly Farrell at (301) 986–4870 no later than April 19.

Dated: April 2, 1996.

Jeff Levi,  
Deputy Director, Office of National AIDS Policy.

[FR Doc. 96–8932 Filed 4–9–96; 8:45 am]

BILLING CODE 3195–01–M

#### **Agency for Health Care Policy and Research General Reorganization; Statement of Organization, Functions, and Delegations of Authority**

This notice amends the following portions of Part E and Part H of the Statement of Organization, Functions, and Delegations of Authority for the Department of Health and Human Services: Part E, as last amended at 60 FR 56605, November 9, 1995; and Part H, Chapter HP as last amended at 60 FR 37898, July 24, 1995. Changes are being made which: (1) designate the Agency for Health Care Policy and Research (AHCPR) as an Operating Division reporting directly to the Secretary of Health and Human Services and (2) reflect organizational refinements which will enable the Agency to be more responsive to the evolving needs of the

health care system and a refocused government role. Changes are as follows:

1. Under Part E, add Chapter E (Agency for Health Care Policy and Research), as follows:

Chapter E—Agency for Health Care Policy and Research

Section E–00 Mission  
Section E–10 Organization  
Section E–20 Functions  
Section E–30 Order of Succession  
Section E–40 Delegations of Authority

Agency for Health Care Policy and Research

*Section E–00. Mission.* The Agency for Health Care Policy and Research provides national leadership and administration of a program to enhance the quality, appropriateness, and effectiveness of health care services, and access to such services, through the establishment of a broad base of scientific research and through the promotion of improvements in clinical practice and in the organization, financing, and delivery of health care services. The AHCPR supports research, demonstrations, evaluations, and dissemination projects relating to: (1) The effectiveness, efficiency, and quality of health care services; (2) the outcomes of health care services and procedures; (3) clinical practice, including primary care and practice-oriented research; (4) health care technologies, facilities, and equipment; (5) health care costs, productivity, and market forces; (6) health promotion and disease prevention; (7) health statistics and epidemiology; (8) medical liability; (9) delivery of health services in rural areas; and (10) the health of low income groups, minority groups, the elderly, and other special populations.

*Section E–10. Organization.* The Agency for Health Care Policy and Research is under the direction of an Administrator who reports directly to the Secretary of Health and Human Services. The Agency consists of the following components:

- A. Immediate Office of the Administrator
- B. Office of Management
- C. Office of Planning and Evaluation
- D. Office of Policy Analysis
- E. Office of Scientific Affairs
- F. Office of the Forum for Quality and Effectiveness in Health Care
- G. Center for Cost and Financing Studies
- H. Center for Health Care Technology
- I. Center for Health Information Dissemination
- J. Center for Information Technology
- K. Center for Organization and Delivery Studies

L. Center for Outcomes and Effectiveness Research

M. Center for Primary Care Research

N. Center for Quality Measurement and Improvement

*Section E–20. Functions.* In carrying out these responsibilities, AHCPR engages in the following activities: (1) Supports, by means of grants and contracts with public and private entities, research, demonstration, and evaluation projects; (2) conducts economic and statistical analyses, research, demonstrations, and evaluations through the use of staff and facilities of the Agency; (3) administers and supports health services research training programs; (4) assists public and nonprofit private entities in meeting the costs of planning, establishing and operating centers for multidisciplinary health services quality and effectiveness research, evaluations, and demonstrations; (5) facilitates development of guidelines, standards, and parameters to enhance the quality and effectiveness of health care and disseminates them to health services providers, review organizations, health educational institutions, and consumers; (6) advises the Secretary and other PHS Agency Heads about findings of the Agency research programs and their potential implications for HHS programs; (7) facilitates linkages among existing data bases and the establishment of national data systems to support health services, technology, quality and effectiveness research; (8) in consultation with other PHS Agencies, coordinates health services and health care technology research, evaluations, and demonstrations undertaken by the Agency; (9) consults with public and private organizations and individuals to identify the critical issues and problems to be addressed through the Agency's research programs; (10) publishes and disseminates the findings and the data obtained in the course of research and evaluation, and in the development of guidelines, standards, review criteria, evaluations, and demonstrations supported or undertaken by the Agency; (11) undertakes programs to develop new and improved methods for making such research findings available to the medical community and for incorporating them into everyday medical practice; (12) provides technical assistance, advice, and consultation to organizations and individuals within and outside the Department engaged in or concerned with the results of health services, health care technology, health quality and effectiveness research, evaluations, and demonstrations; (13) advises the