

Request for Comment

Comments are invited on: (a) whether the collection of information is necessary for the proper performance of the FDIC's functions, including whether the information has practical utility; (b) the accuracy of the estimates of the burden of the information collection, including the validity of the methodology and assumptions used; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the information collection on respondents, including through the use of automated collection techniques or other forms of information technology.

At the end of the comment period, the comments and recommendations received will be analyzed to determine the extent to which the collection should be modified prior to submission to OMB for review and approval. Comments submitted in response to this notice also will be summarized or included in the FDIC's requests to OMB for renewal of this collection. All comments will become a matter of public record.

Dated at Washington, D.C., this 26th day of March 1997.

Federal Deposit Insurance Corporation

Robert E. Feldman,

Deputy Executive Secretary.

[FR Doc. 97-8179 Filed 3-31-97; 8:45 am]

BILLING CODE 6714-01-M

Agency Information Collection**Activities: Proposed Collection; Comment Request**

AGENCY: Federal Deposit Insurance Corporation (FDIC).

ACTION: Notice and request for comment.

SUMMARY: The FDIC, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35). Currently, the FDIC is soliciting comments concerning an information collection titled "Application for Consent to Effect a Merger-Type Transaction."

DATES: Comments must be submitted on or before June 2, 1997.

ADDRESSES: Interested parties are invited to submit written comments to Steven F. Hanft, FDIC Clearance Officer, (202) 898-3907, Office of the Executive Secretary, Federal Deposit Insurance Corporation, 550 17th Street N.W.,

Washington, D.C. 20429. All comments should refer to "Application for Consent to Effect a Merger-Type Transaction." Comments may be hand-delivered to Room F-400, 1776 F Street, N.W., Washington, D.C. 20429, on business days between 8:30 a.m. and 5:00 p.m. [FAX number (202) 898-3838; Internet address: comments@fdic.gov].

A copy of the comments may also be submitted to the OMB desk officer for the FDIC: Alexander Hunt, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 3208, Washington, D.C. 20503.

FOR FURTHER INFORMATION CONTACT:

Steven F. Hanft, at the address identified above.

SUPPLEMENTARY INFORMATION: Proposal to renew the following currently approved collection of information:

Title: Application for Consent to Effect a Merger-Type Transaction (FDIC Form 6220/01).

OMB Number: 3064-0016.

Frequency of Response: Occasional.

Affected Public: Any depository institution that wishes to merge, consolidate with, acquire the assets of, or assume liability to pay any deposits made in any other insured depository institution or noninsured bank or institution.

Estimated Number of Respondents: 220.

Estimated Time per Response: 74 hours.

Estimated Total Annual Burden: 16,280 hours.

General Description of Collection: To fulfill its obligation under Section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)) the FDIC requests in FDIC Form 6220/01 information about the effect of the proposed merger on competition; information about the financial and managerial resources and future prospects of the existing and proposed institutions; and information about the convenience and needs of the community to be served.

Request for Comment

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of automated collection techniques or other forms of information technology.

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Dated at Washington, D.C., this 26th day of March 1997.

Federal Deposit Insurance Corporation

Robert E. Feldman,

Deputy Executive Secretary.

[FR Doc. 97-8180 Filed 3-31-97; 8:45 am]

BILLING CODE 6714-01-M

Applications, Legal Fees, and Other Expenses

AGENCY: Federal Deposit Insurance Corporation (FDIC).

ACTION: Rescission of statement of policy.

SUMMARY: As part of the FDIC's systematic review of its regulations and written policies under section 303(a) of the Riegle Community Development and Regulatory Improvement Act of 1994 (CDRI), the FDIC is rescinding its statement of policy concerning applications, legal fees, and other expenses (Statement of Policy). The Statement of Policy addresses unreasonable or excessive fees, insider fees, and contingency fee arrangements incidental to certain applications filed with the FDIC. The FDIC is rescinding the Statement of Policy because portions are now considered outmoded and similar information is duplicated or cross-referenced in other Statements of Policy. Remaining information that is relevant will be placed, in condensed form, into Statements of Policy regarding Applications for Deposit Insurance, and Bank Merger Transactions. The rescission does not reflect any substantive change in the FDIC's supervisory attitude toward excessive or unwarranted fees incident to an application.

EFFECTIVE DATE: This Statement of Policy is rescinded effective April 1, 1997.

FOR FURTHER INFORMATION CONTACT: Jesse G. Snyder, Assistant Director, (202/ 898-6915), Division of Supervision; Susan van den Toorn, Counsel, (202/898-8707), Legal

Division, FDIC, 550 17th Street, N.W., Washington, DC 20429.

SUPPLEMENTARY INFORMATION: The FDIC is conducting a systematic review of its regulations and written policies. Section 303(a) of the CDRI (12 U.S.C. 4803(a)) requires the FDIC, the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Office of Thrift Supervision (Federal banking agencies) to each streamline and modify its regulations and written policies in order to improve efficiency, reduce unnecessary costs, and eliminate unwarranted constraints on credit availability. Section 303(a) also requires each of the Federal banking agencies to remove inconsistencies and outmoded and duplicative requirements from its regulations and written policies.

As a part of this review, the FDIC has determined that the Statement of Policy contains a substantial amount of information that is outmoded, and duplicated or cross-referenced elsewhere. The FDIC's written policies can be streamlined by eliminating the Statement of Policy. The relevant information contained in the Policy Statement will be condensed and placed into Statements of Policy regarding Applications for Deposit Insurance, and Bank Merger Transactions.

On September 8, 1980, the Statement of Policy was adopted by the Board of the FDIC and was published on September 15, 1980 (45 FR 61025). The Statement of Policy addresses unreasonable or excessive fees, insider fees, and contingency fee arrangements incidental to applications filed with the FDIC. Some of the information contained in the Statement of Policy is now also in other Statements of Policy addressing specific applications and, as a result, it is no longer necessary to have a Statement of Policy dealing specifically with legal fees and other expenses.

Issues formerly dealt with in the Statement of Policy have now been condensed and placed into other application specific "Statements of Policy". The following specific statements are now included in relevant "Statements of Policy" published concurrently herein.

"The commitment to or payment of unreasonable or excessive fees and other expenses incident to an application reflects adversely upon the management of the applicant institution. Fees and other organizational expenses incurred or committed to should be fully supported.

Expenses for professional or other services rendered by organizers, present or prospective board members, major

shareholders or executive officers will receive special review for any indication of self-dealing to the detriment of the bank and its other shareholders. As a matter of practice, the FDIC expects full disclosure to all directors and shareholders of any material arrangement with an insider.

In no case will an FDIC application be approved where the payment of a fee, in whole or in part, is contingent upon any act or forbearance by the FDIC or by any other federal or state agency or official."

The rescission does not reflect any substantive change in the FDIC's supervisory attitude toward excessive, unwarranted, or otherwise inappropriate fees incident to an application, and the relevant issues will continue to be addressed.

For the above reasons, the Statement of Policy is hereby rescinded.

By order of the Board of Directors.

Dated at Washington, DC, this 25th day of March, 1997.

Federal Deposit Insurance Corporation

Robert E. Feldman,

Deputy Executive Secretary.

[FR Doc. 97-8171 Filed 3-31-97; 8:45 am]

BILLING CODE 6714-01-P

Statement of Policy Regarding Liability of Commonly Controlled Depository Institutions

AGENCY: Federal Deposit Insurance Corporation (FDIC).

ACTION: Policy statement.

SUMMARY: The FDIC is revising the statement of policy which sets forth the procedures and guidelines the FDIC uses in assessing liability against commonly controlled depository institutions under section 5(e) of the Federal Deposit Insurance Act. The revised policy statement provides guidance based on the FDIC's experience in administering the provisions of section 5(e) of the Act and clarifies the authority granted to the FDIC to issue assessments of liability or grant conditional waivers of liability, the manner in which the FDIC will assess the amount of loss incurred by the FDIC, and the manner in which each liable institution's share of that loss will be determined. The revised policy statement also addresses the potential liability of depository institutions acquired by unaffiliated parties prior to any occurrence establishing liability under section 5(e) of the Act.

EFFECTIVE DATE: April 1, 1997.

FOR FURTHER INFORMATION CONTACT: Cheryl Steffen, Special Situations and Application Section, Division of Supervision, (202) 898-8768; Michael J. Fanaroff, Division of Resolution and

Receiverships, (202) 898-7122; or Grovetta N. Gardineer, Counsel, Legal Division, (202) 736-0665, Federal Deposit Insurance Corporation, 550 17th Street, N.W., Washington, DC 20429.

SUPPLEMENTARY INFORMATION: On May 22, 1990, the Board of Directors of the FDIC adopted a Statement of Policy Regarding Liability of Commonly Controlled Depository Institutions. Such liability is a consequence of section 5(e) of the Federal Deposit Insurance Act (Act), 12 U.S.C. 1815(e), which was added by the passage of section 206(a)(7) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989. Section 5(e) created liability for commonly controlled insured depository institutions for losses incurred or anticipated by the FDIC in connection with (i) the default of a commonly controlled insured depository institution; or (ii) any assistance provided by the FDIC to any commonly controlled insured depository institution in danger of default. The purpose of section 5(e) is to ensure that the assets of healthy depository institution subsidiaries within the same holding company structure, or of a healthy institution which controls a failing institution, will be available to the FDIC to help offset the cost of resolving the failed subsidiary. While the FDIC seeks to recover its losses associated with failing institutions, it also seeks to encourage the acquisition of troubled institutions by those capable of rehabilitating them and to avoid instances in which the assessment of liability against an otherwise healthy institution will cause its failure, thus exposing the FDIC and the insurance funds to greater loss.

The FDIC has brought a number of actions since the enactment of section 5(e). While the original statement of policy provided guidance to the industry regarding the application of the statute at the time it was published, the FDIC had not initiated any actions under the statute. The revised policy statement attempts to provide guidance to the industry based on actual practice with administering the statute. The proposed policy statement contains information regarding the content of requests for conditional waiver. Depending on decisions affecting part 303 of the FDIC Rules and Regulations (Rules), this information may also be addressed in the revised part 303 of the FDIC's Rules regarding applications. Any changes in part 303 of the FDIC's Rules may also necessitate further revisions to the policy statement.

The policy statement provides for the issuance of a Notice of Assessment of