



American Revolution Bicentennial

# FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 76-35  
March 11, 1976

## AMENDMENT TO REGULATION H

TO ALL MEMBER BANKS IN THE  
ELEVENTH FEDERAL RESERVE DISTRICT:

The Board of Governors of the Federal Reserve System has amended Regulation H, "Membership of State Banking Institutions in the Federal Reserve System," to permit until March 1, 1976, the making of certain mortgage loans in identified flood hazard areas of communities that are not participating in the National Flood Insurance Program.

A copy of the Amendment to Regulation H is enclosed and should be inserted in your Regulations Binder. Printed on the following pages is the FEDERAL REGISTER document regarding the amendment. If you have questions concerning this amendment as it is applicable to State member banks, please contact this Bank's Examination Department at (214) 651-6274.

Additional copies of the amendment and FEDERAL REGISTER document will be furnished upon request to the Secretary's Office of this Bank.

Sincerely yours,

T. W. Plant

First Vice President

Enclosure

TITLE 12--BANKS AND BANKING

CHAPTER II--FEDERAL RESERVE SYSTEM

SUBCHAPTER A--BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

[Reg. H]

PART 208--MEMBERSHIP OF STATE BANKING  
INSTITUTIONS IN THE FEDERAL RESERVE SYSTEM

Loans by State Member Banks in Flood-Prone Areas

[Amendment]

The Board of Governors of the Federal Reserve System is amending Part 208 by revising section 208.8(e)(5) in order to implement the grace period provided in Pub. L. No. 94-198 (Dec. 31, 1975), concerning certain real estate loans made by State member banks in identified flood hazard areas of communities that are not participating in the National Flood Insurance Program.

Pub. L. No. 94-198 amends section 202(b) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 2001 et. seq.) to permit until March 1, 1976 (or one year from the date of a community's notification that it has flood-prone areas, whichever is later), the making of certain mortgage loans and similar loans by federally chartered, supervised, or insured lending institutions for the purchase of previously occupied residential dwellings located in the identified flood hazard areas of communities that are not

participating in the National Flood Insurance Program. The deadline contained in section 202(b) applicable to such loans was previously extended from July 1, 1975, until January 1, 1976 (section 303 of the Emergency Housing Act of 1975, Pub. L. No. 94-50). The following amendment is intended to conform the provisions of existing Board regulations, which reflect the January 1, 1976 deadline, to the additional extension contained in Pub. L. No. 94-198.

Effective immediately the last sentence of § 208.8(e)(5) shall be amended by deleting the date, January 1, 1976, and adding the date, March 1, 1976, as follows:

§ 208.8 Banking Practices

\* \* \* \* \*

(e) Loans by State member banks in identified flood hazard areas.

(5) . . . Provided, that the prohibition contained in this section shall not apply to any loan made prior to [January 1, 1976] March 1, 1976, if the loan is made to finance the acquisition of a previously occupied residential dwelling.

\* \* \* \* \*

The provisions of section 553 of Title V, United States Code, relating to notice, public participation and deferred effective date were not followed in connection with this amendment because this

amendment merely clarifies Regulation H by implementing a statutory provision of Pub. L. No. 94-198 (December 31, 1975) without significant exercise of administrative discretion or interpretation.

By order of the Board of Governors, February 26, 1976.

(Signed) Theodore E. Allison

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Theodore E. Allison  
Secretary of the Board

[SEAL]

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

MEMBERSHIP OF STATE BANKING INSTITUTIONS  
IN THE FEDERAL RESERVE SYSTEM

AMENDMENT TO REGULATION H†

Effective February 26, 1976, the last sentence of §208.8(e)(5) shall be amended by deleting the date, January 1, 1976, and adding the date, March 1, 1976, as follows:

SECTION 208.8 — BANKING PRACTICES

\* \* \* \* \*

(e) Loans by State member banks in identified flood hazard areas.

\* \* \* \* \*

(5) \* \* \* Provided, that the prohibition contained in this section shall not apply to any loan made prior to March 1, 1976, if the loan is made to finance the acquisition of a previously occupied residential dwelling.

†For this Regulation to be complete as amended effective February 26, 1976, retain:

- 1) Printed Regulation pamphlet as amended effective March 18, 1969;
- 2) Amendment to §208.10(b) and (c) effective December 21, 1973;
- 3) Amendments adding a new §208.8 and renumbering succeeding section effective March 2, 1974;
- 4) Amendment effective September 16, 1974;
- 5) Amendment effective September 22, 1974;
- 6) Amendment effective May 12, 1975;
- 7) Amendment effective October 17, 1975;
- 8) Amendment effective December 30, 1975; and
- 9) This slip sheet.