

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 81-55

March 16, 1981

AMENDMENT TO REGULATION P

Minimum Security Devices and Procedures for
Federal Reserve Banks and State Member Banks

TO ALL STATE MEMBER BANKS IN THE
ELEVENTH FEDERAL RESERVE DISTRICT:

The Board of Governors of the Federal Reserve System has amended its Regulation P, Minimum Security Devices and Procedures for Federal Reserve Banks and State Member Banks, to lighten the regulatory reporting burden of all state member banks.

The amendment will eliminate the requirement calling for reports (Form P-1) to be filed by state member banks concerning security devices in use at their banking offices. The amendment will also eliminate the requirements that state member banks file with their District Reserve Bank a copy of their written security program and, where applicable, a copy of the bank's statement explaining why the bank's security program does not meet the minimum standards of the regulation. State member banks are required to continue preparing these reports and to have them readily available for scrutiny by examiners.

Printed on the following pages are the Board's press release and the material submitted for publication in the Federal Register. These pages more fully explain the Board's action. Any questions regarding Regulation P should be directed to Vance Smith of our Bank Supervision and Regulations Department, Ext. 6663.

Sincerely yours,

William H. Wallace

First Vice President

Banks and others are encouraged to use the following incoming WATS numbers in contacting this Bank: 1-800-442-7140 (intrastate) and 1-800-527-9200 (interstate). For calls placed locally, please use 651 plus the extension referred to above.

FEDERAL RESERVE press release



For immediate release

March 5, 1981

The Federal Reserve Board has approved the amendment of its Regulation P -- implementing the Bank Protection Act -- to eliminate several reporting requirements.

The actions lighten the regulatory reporting burden of all State member banks, and are expected to be of particular benefit to small banks.

The Board:

1. Amended Regulation P to eliminate a requirement calling for reports (Form P-1) to be filed by State member banks concerning security devices in use at their banking officers. This action had been recommended to the Board (and to other Federal agencies supervising banks and thrift institutions) by the Federal Financial Institutions Examination Council. In adopting the Council's recommendation, the Board said that it has been found that regular, on-site examination of bank security by bank examiners, and the generally high current level of bank security, has made this report no longer essential.

2. Amended Regulation P to eliminate the requirements that State member banks file with their District Reserve Bank a copy of their written security program and, where applicable, a copy of the bank's statement explaining why the bank's security program does not meet the minimum standards of the regulation.

State member banks are required to continue preparing these reports and to have them readily available for scrutiny by examiners. It has been found that examiners generally rely on bank records and not Reserve Bank records in determining compliance with the regulation.

The Board's amendments to Regulation P are attached.

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM

12 C.F.R. PART 216

NOTICE OF AMENDMENT

12 C.F.R. Part 216 is amended as follows:

1. The authority citation for Part 216 is as follows:

Authority: 12 U.S.C. 1881-1884

2. Section 216.3 is revised by deleting from the last sentence of paragraph (c) the words: "and forward a copy of that statement to the Federal Reserve Bank for the District in which its main office is located."

3. Section 216.4 is revised by deleting from the last sentence of paragraph (a) the words: "and a copy shall be filed with the Federal Reserve Bank for the District in which the main office of the bank is located."

4. Section 216.5 is revised by removing paragraph (b), redesignating paragraph (c) as paragraph (b), and redesignating paragraph (d) as paragraph (c).

For further information contact Stephen M. Lovette at the Board of
Governors of the Federal Reserve System (202) 452-3622.

(NOTE: The above notice, together with similar notices affecting rules of the other Federal bank and thrift institution supervisors, will be published in the Federal Register by the Federal Financial Institutions Examination Council.)

[BILLING CODE 6722-01]

FEDERAL FINANCIAL INSTITUTIONS

EXAMINATION COUNCIL

12 C.F.R. PARTS 21, 216, 326, 563a AND 748

Joint Notice of Elimination of Form
Reports Required Under Regulations
Implementing the Bank Protection Act

AGENCIES: The Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, the National Credit Union Administration, and the Office of the Comptroller of the Currency.

ACTION: Final rule.

SUMMARY: This amendment revises 12 C.F.R. §§ 21.5, 216.5, 326.5, 563a.5, and 748.4 by deleting the requirements for submission of "Reports on security devices." Currently, four of the five regulatory agencies represented on the Examination Council have regulations which require financial institutions to submit, periodically, form reports on security devices. These form regulations are contained in 12 C.F.R. 21.5(c) (Comptroller of Currency Form CC-9030-01); 12 C.F.R. 216.5(b) (Federal Reserve Board Form P-1); 12 C.F.R. 326.5(c) (Federal Deposit Insurance Corporation Form P-1); and 12 C.F.R. 563a.5(b) (Federal Home Loan Bank Board Form P-1). The National Credit Union Administration requires a similar report from insured credit unions pursuant to the insuring of the credit union (12 C.F.R. § 748.4 and appendix to 12 C.F.R. Part 748).

The Board of Governors of the Federal Reserve System, the Federal Home Loan Bank Board and the National Credit Union Administration also are amending their regulations to eliminate a requirement that the financial institutions under their respective jurisdictions file with those agencies copies of their written security programs and their statements of justification for exceptions to the agencies' standards for security. The Board of Governors is deleting the filing requirements for state member banks found in 12 C.F.R. §§ 216.3 and 216.4; the Federal Home Loan Bank Board is deleting the filing requirements for FSLIC-insured savings and loan associations in 12 C.F.R. §§ 563a.3 and 563a.4; and the National Credit Union Administration is deleting the filing requirements for Federally-insured credit unions found in 12 C.F.R. §§ 748.0(b), 748.3(c) and 748.4(a). The existing regulations of the Federal Deposit Insurance Corporation and the Office of the Comptroller of the Currency do not include these filing requirements.

EFFECTIVE DATE: [Date of publication in the FEDERAL REGISTER.]

FOR FURTHER INFORMATION CONTACT: Stephen M. Lovette, Board of Governors of the Federal Reserve System, (202) 452-3622; Jesse G. Snyder, Federal Deposit Insurance Corporation, (202) 389-4415; James Stewart, Federal Home Loan Bank Board, (202) 377-6457; Layne Bumgardner, National Credit Union Administration, (202) 357-1065; and Robert M. Taylor, III, Office of the Comptroller of the Currency, (202) 447-1880.

SUPPLEMENTARY INFORMATION: The agencies represented on the Examination Council have reviewed the reporting requirements imposed on financial institutions under the above regulations. These regulations (except for those imposed by the National Credit Union Administration) were originally adopted pursuant to the Bank Protection Act (12 U.S.C. § § 1881-84). The agencies have determined that certain of these reporting requirements impose unnecessary reporting burdens upon the financial institutions. The usage of these forms is quite limited. Accordingly, in keeping with the objective of removing regulations that are no longer justified, the agencies are deleting their "reports on security devices" regulations and, for those that have them, their requirements that financial institutions submit copies of their written security programs and exceptions statements for agency filing. Federal examiners will continue to review each institution's compliance with agency security regulations during regular supervisory examinations.

This amendment will lessen the regulatory burden upon financial institutions by relieving them of unnecessary reporting requirements. Therefore, the agencies have determined, in accordance with 5 U.S.C. § 553, that notice and public procedure requirements and delayed effectiveness are unnecessary and would be contrary to the public interest.

The notices of individual agency actions to amend their respective regulations follow.

DRAFTING INFORMATION: The principal drafter of this document is Robert M. Taylor, III, Attorney, Legal Advisory Services Division, Office of the Comptroller of the Currency, Washington, D.C. 20219.

ADOPTION OF AMENDMENTS:

**BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM**

**12 C.F.R. PART 216
NOTICE OF AMENDMENT**

12 C.F.R. Part 216 is amended as follows:

1. The authority citation for Part 216 is as follows:
Authority: 12 U.S.C. 1881-1884.
2. Section 216.3 is revised by deleting from the last sentence of paragraph (c) the words: "and forward a copy of that statement to the Federal Reserve Bank for the District in which its main office is located."
3. Section 216.4 is revised by deleting from the last sentence of paragraph (a) the words: "and a copy shall be filed with the Federal Reserve Bank for the District in which the main office of the bank is located."
4. Section 216.5 is revised by removing paragraph (b), redesignating paragraph (c) as paragraph (b), and redesignating paragraph (d) as paragraph (c).

FEDERAL DEPOSIT INSURANCE
CORPORATION

12 C.F.R. PART 326
NOTICE OF AMENDMENT

12 C.F.R. Part 326 is amended as follows:

1. The authority citation for Part 326 is as follows:
Authority: 12 U.S.C. 1881-1884.
2. Section 326.5 is revised by removing paragraph (c), redesignating paragraph (d) as paragraph (c), and redesignating paragraph (e) as paragraph (d).

FEDERAL HOME LOAN
BANK BOARD

12 C.F.R. PART 563a
NOTICE OF AMENDMENT

12 C.F.R. Part 563a is amended as follows:

1. The authority citation for Part 563a is as follows:
Authority: 12 U.S.C. 1881-1884.
2. Section 563a.3 is revised by removing the phrase "and forward a copy of that statement to the Chief Examiner" at the end of subsection (c).
3. Section 563a.4 is revised by removing the phrase "and a copy shall be filed with the Chief Examiner" at the end of subsection (a).
4. Section 563a.5 is revised by removing paragraph (b), redesignating paragraph (c) as paragraph (b), and redesignating paragraph (d) as paragraph (c).

NATIONAL CREDIT UNION
ADMINISTRATION

12 C.F.R. PART 748
NOTICE OF AMENDMENT

12 C.F.R. Part 748 is amended as follows:

1. The authority citation for Part 748 is as follows:
Authority: Section 205 (12 U.S.C. 1785).
2. Section 748.0(b) is amended by deleting "If a federally insured credit union does not believe it can comply with any section of this Part, such credit union shall submit the reasons therefor to the Regional Director for approval or disapproval."

3. Section 748.3(c) is amended by deleting "and forward a copy of that statement to the Regional Director. In the case of federally insured State-chartered credit unions, this statement shall be mailed to the Regional Director. If the appropriate State supervisory authority desires, this statement shall be mailed to the Regional Director via the State supervisory authority. In any event, a copy of the statement shall always be sent to the appropriate State supervisory authority.", and by inserting a period (.) after "decision."
4. Section 748.4(a) is amended by deleting "and a copy shall be filed with the Regional Director with the certification required by Section 748.5 below and with the appendix to this Part pertaining to the Report on Security Measures. In the case of federally insured State-chartered credit unions, these items shall be mailed to the Regional Director. If the appropriate State supervisory authority desires, these items shall be mailed to the Regional Director via the State supervisory authority. In any event, copies of these items shall always be sent to the appropriate State supervisory authority.", and by inserting a period (.) after "effectiveness."
5. Delete Part 748 appendix "Report on Security Measures."

OFFICE OF THE COMPTROLLER
OF THE CURRENCY

12 C.F.R. PART 21
NOTICE OF AMENDMENT

12 C.F.R. Part 21 is amended as follows:

1. The authority citation for Part 21 is as follows:
Authority: 12 U.S.C. 1881-1884.
2. Section 21.5 is revised by removing paragraph (c), redesignating paragraph (d) as paragraph (c), and redesignating paragraph (e) as paragraph (d).

On behalf of their respective agencies:

March 3, 1981

Dated _____

(signed) _____

James McAfee
Assistant Secretary
Board of Governors of the
Federal Reserve System

Dated March 3, 1981

(signed)
Hoyle L. Robinson
Executive Secretary
Federal Deposit Insurance
Corporation

Dated March 3, 1981

(signed)
J.J. Finn
Secretary to the Board
Federal Home Loan Bank Board

Dated March 3, 1981

(signed)
Rosemary Brady
Secretary to NCUA Board
National Credit Union
Administration

Dated March 3, 1981

(signed)
Paul M. Homan
Senior Deputy Comptroller for
Bank Supervision
Office of the Comptroller of
the Currency