

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 82-83
July 21, 1982

REDEMPTION OF FOOD COUPONS

TO ALL SAVINGS AND LOAN ASSOCIATIONS
IN THE ELEVENTH FEDERAL RESERVE DISTRICT:

The amendment to the Food and Nutrition Service (FNS) regulations, dated May 28, 1982, permits insured savings and loan associations (S&Ls) to redeem food coupons for authorized retailers and wholesalers. An insured savings and loan, authorized by the Agriculture Department to receive food coupons, may deposit the food coupons with the Reserve Office serving that area as long as the S&L complies with the regulations and requirements set forth in the section of this Bank's Operating Bulletin No. 5 pertaining to Food Coupons.

Printed on the following pages is a copy of the Federal Register document regarding the amendment. If you have any questions, please contact the Federal Reserve Office serving your area. The individuals to contact are Charles Worley at the Head Office, (214) 698-4275; Jerry Silvey at the El Paso Branch, (915) 544-4730; Oscar Bryan at the Houston Branch, (713) 659-4433; or Herb Barbee at the San Antonio Branch, (512) 224-2141.

Additional copies of this circular will be furnished upon request to the Department of Communications, Financial and Community Affairs, Ext. 6289.

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.

SUMMARY: This amendment permits certain insured financial institutions to redeem food stamps for authorized retailers and wholesalers. This provision is authorized by Title XIII of Pub. L. 97-98 (The Food Stamp and Commodity Distribution Amendments of 1981). This rule will permit these institutions to begin redeeming food stamps immediately. Prior to this provision only banks were permitted to redeem food stamps.

EFFECTIVE DATE: May 28, 1982.

FOR FURTHER INFORMATION CONTACT: Herbert A. Scurlock, Director, Federal Operations Division, Family Nutrition Programs, Food and Nutrition Service, USDA, Alexandria, Virginia 22302 (703) 756-3487.

SUPPLEMENTARY INFORMATION:

Classification

Executive Order 12291.

This rule has been reviewed under Executive Order 12291 and the Secretary's Memorandum No. 1512-1. The Department has determined that this rule does not constitute a major rule. Since this rule merely implements technical aspects of parts of Title XIII of Pub. L. 97-98 (the Food Stamp and Commodity Distribution Amendments of 1981), it will not result in (1) An annual effect on the economy of \$100 million or more; (2) A major increase in costs or prices for consumers, industries, Federal, State or local governments, or geographic regions; or (3) Significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or export markets. This rule will not significantly raise the Food Stamp Program's total benefit and administrative expenses. The rule deals exclusively with the administration of the Food Stamp Program and since it merely restates the provisions of the statute it will not affect industry and trade.

Publication

Mr. Samuel J. Cornelius, Administrator of the Food and Nutrition Service, has determined, in accordance with 5 U.S.C. 553(b)(1)(B), that notice of proposed rulemaking and public comment procedures prior to the effective date of this rule are unnecessary since the rule merely restates the provisions of the statute. Public Law 97-98 permits insured savings and loan institutions to redeem food stamps in the same way as banks operated under current Food Stamp regulations. Because

DEPARTMENT OF AGRICULTURE

Food and Nutrition Service

7 CFR Parts 271 and 278

[Amendment No. 216]

Food Stamp Program: Defining Which Financial Institutions May Redeem Food Stamps

AGENCY: Food and Nutrition Service, USDA.

ACTION: Final rule.

Pub. L. 97-98 is now effective it is in the public interest to grant such savings and loan institutions the opportunity extended to them by the law without delay.

Regulatory Flexibility Act

This action has also been reviewed with regard to the requirements of the Regulatory Flexibility Act (Pub. L. 96-354, 94 Stat. 1164, September 19, 1980). The Administrator, Food and Nutrition Service, has certified that the rule does not have a significant economic impact on a substantial number of small entities because the rule reiterates the provisions of the statute and extends the right to redeem food stamps to fiscal organizations insured by FSLIC and FDIC.

This rule does not contain recordkeeping or reporting requirements under the provisions of the Paperwork Reduction Act of 1980.

Background

Currently only banks are permitted to redeem food stamps for retailers and wholesalers participating in the Food Stamp Program. However, Title XIII of Pub. L. 97-98 (the Food Stamp and Commodity Distribution Amendments of 1981) requires that the term "bank" be struck wherever it appears in the Food Stamp Act of 1977 and the term

"financial institutions which are insured by the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation (FSLIC)" be substituted.

The economic circumstances prevailing in the country today make it desirable for insured savings and loan institutions to accept food stamps for redemption without delay. Therefore, the Department has determined that this rule shall take effect upon publication.

List of Subjects

7 CFR Part 271

Administrative practice and procedure, Food stamps, Grant programs-social programs.

7 CFR Part 278

Administrative practice and procedure, Banks, Banking, Claims, Food stamps, Groceries-retail, Groceries, General line-wholesaler, Penalties.

Accordingly, 7 CFR Parts 271 and 278 are amended as follows:

PART 271—GENERAL INFORMATION AND DEFINITIONS

§ 271.1 [Amended]

1. In § 271.1, paragraph (b) is amended by striking out the term "banks" and

inserting the term "insured financial institutions".

§ 271.2 [Amended]

2. In § 271.2, the following definition is added in alphabetical order:

* * * * *

"Insured financial institution" means a financial institution insured by the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation (FSLIC).

* * * * *

PART 278—PARTICIPATION OF RETAIL FOOD STORES, WHOLESALE FOOD CONCERNS AND FINANCIAL INSTITUTIONS

3. The term "bank" or "banks" is struck wherever it appears (except where preceded by the term "Federal Reserve") and replaced by the term "insured financial institution" or "insured financial institutions".

(91 Stat. 958 (7 U.S.C. 2011-2027))

(Catalog of Federal Domestic Assistance Programs, No. 10.551, Food Stamps)

Dated: May 28, 1982.

Samuel J. Cornelius,
Administrator.

[FR Doc. 82-10373 Filed 5-27-82; 10:21 am]

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