



Press Release

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For immediate release

The Federal Reserve Board on Wednesday announced the approval of, and invited public comment on, an interim rule that would implement section 601 of the Financial Services Regulatory Relief Act of 2006, which eliminated several statutory reporting and disclosure requirements relating to insider lending by insured depository institutions. The Board proposed and supported eliminating these statutory reporting and disclosure provisions because the federal banking agencies have not found them particularly useful in monitoring insider lending or preventing insider abuse.

The interim rule would amend the Board's Regulation O (12 CFR part 215) to reflect the elimination of these reporting and disclosure requirements. Regulation O implements statutory restrictions on the ability of insured depository institutions to extend credit to their executive officers, directors, principal shareholders, and to related interests of such persons (insiders). The interim rule does not alter the substantive restrictions on loans by insured depository institutions to their insiders or to insiders of their correspondent banks.

Because section 601 of the act became effective on October 13, 2006, the interim rule would be effective immediately upon publication in the *Federal Register*. The Board is, however, seeking public comment on the rule for a 30-day period.

The Board's notice is attached.

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Last update: December 12, 2006