

FEDERAL RESERVE BANK
OF NEW YORK

Circular No. 6866
December 21, 1971

Hearing on Proposal to Permit Bank Holding Companies
to Perform Property Management Services

*To All Banks, and Others Concerned,
in the Second Federal Reserve District:*

Following is the text of a statement issued today by the Board of Governors of the Federal Reserve System:

The Board of Governors of the Federal Reserve System has scheduled a hearing for January 26 on its proposal to permit bank holding companies to perform property management services. The hearing will be held in the Board Room of the Federal Reserve Building at 20th Street and Constitution Avenue, beginning at 10 a.m., Eastern Standard time.

Written comments on issues raised at the hearing should be submitted to the Board by February 16.

The proposal is part of a series the Board has made concerning activities regarded as closely related to banking or managing or controlling banks under the 1970 amendments to the Bank Holding Company Act.

A copy of the hearing notice is printed on the reverse side of this circular. Written comments on the proposal should be submitted by February 16, 1972, and may be sent to our Bank Applications Department.

Alfred Hayes,
President.

(Over)

(Reg. Y)
BANK HOLDING COMPANIES
Notice of Hearing Regarding Property Management Activities

By notice published in the Federal Register on September 14, 1971 (36 F.R. 18427), the Board of Governors proposed to add to the list of activities that it has determined to be closely related to banking or managing or controlling banks (section 225.4(a) of Regulation Y) the following: "performing property management services."

The National Association of Real Estate Boards has asked for a hearing on this matter. The Board has directed that such a hearing be held before available members of the Board in the Board Room of its building on 20th Street and Constitution Avenue, N.W., Washington, D.C., on January 26, 1972, beginning at 10 a.m.

Among the issues that will be explored at the hearing is whether bank holding company activities in the area of property management should be limited to any one or more of the following:

- (a) properties held in a fiduciary capacity;
- (b) properties owned by the holding company or its subsidiaries for conducting its own bank and bank related operations;
- (c) properties acquired by the holding company or a subsidiary as a result of a default on a loan;
- (d) farm management;

(e) properties that are part of a land re-development program;

(f) management of office buildings and other business or industrial properties;

(g) management of single and multi-family apartment buildings; or

(h) management of the air rights above, or the oil and mineral rights below, a parcel of land.

Interested persons are invited to participate by presenting their views on all issues raised by the pending proposal. Interested persons need not participate in the hearing through oral presentation in order to have their views considered. All views previously expressed in written comments on the pending proposal are under consideration by the Board and are available for inspection and copying in Room 1020 of the Board's building.

Persons interested in participating in the hearing by presenting material orally should inform the Secretary of the Board in writing not later than January 7, 1972. Each person admitted as a party to the proceeding will be given up to 30 minutes to present his views.

Anyone wishing to submit written comments on issues raised at the hearing may do so at any time before the close of business February 16, 1972.