

FEDERAL RESERVE BANK
OF NEW YORK

At- Cir. No. 8449

November 6, 1978

**Amendments to Rules of Procedure
and Rules Regarding Delegation of Authority**

*To All Member Banks and Bank Holding Companies,
and Others Concerned, in the Second Federal Reserve District:*

The following is quoted from the text of a statement issued by the Board of Governors of the Federal Reserve System:

The Federal Reserve Board today [October 23, 1978] announced approval of several technical changes affecting registration of bank holding companies or applications for their expansion.

The Board revised its rules of procedures for handling requests for reconsideration of Board decisions and for the handling of requests for hearings and comments on applications.

At the same time, the Board, in its continuing effort to reduce the reporting burdens of financial institutions it supervises, eliminated the requirement for new bank holding companies to register with the Board within 180 days by use of certain forms (F.R. Y-5 and Y-5(a)). The Board will collect essential data for registration purposes by means of six questions about the company's financial organizational structure that will be asked in a letter sent to all bank holding companies whose formation the Board has newly approved. Bank holding companies must receive prior Board approval of their organizational structure before beginning operations. The registration process will be completed in the annual report that must be filed with the Board by all bank holding companies (form F.R. Y-6).

Enclosed is a copy of amendments to the Rules of Procedure and Rules Regarding Delegation of Authority of the Board of Governors, effective October 19, 1978, reflecting the Board's actions in this matter. Any questions regarding these amendments may be directed to our Domestic Banking Applications Department (Tel. No. 212-791-5861).

PAUL A. VOLCKER,
President.

At. Cir. No. 8449

Board of Governors of the Federal Reserve System
RULES OF PROCEDURE
RULES REGARDING DELEGATION OF AUTHORITY

AMENDMENTS

(effective October 19, 1978)

[Docket No. R-0184]

PART 262—RULES OF PROCEDURE

**PART 265—RULES REGARDING
DELEGATION OF AUTHORITY**

**Reconsideration of Certain Board
Actions**

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule.

SUMMARY: In order to expedite and facilitate performance of certain of its functions, the Board of Governors has instituted a procedure by which requests for reconsideration of Board action on certain applications will receive prompt attention, and has delegated to its General Counsel the authority to determine whether or not reconsideration should be granted.

EFFECTIVE DATE: October 19, 1978.

FOR FURTHER INFORMATION CONTACT:

Robert E. Mannion, Associate General Counsel, 202-452-3274 or Bronwen M. Mason, Senior Attorney, 202-452-3564, Legal Division, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

SUPPLEMENTARY INFORMATION: The Board has the authority under several statutes and regulations promulgated thereunder to require that companies make applications for the Board's prior approval of certain transactions involving banking organizations. The Board's rules of procedure

presently provide that upon request the Board may reconsider its actions on applications under sections 3 and 4 of the Bank Holding Company Act and the Bank Merger Act, but do not specify a time period within which such a request is to be submitted or within which the Board will normally act on requests for reconsideration. In order to establish procedures to be followed by parties seeking reconsideration of Board action on applications the Board considers, and in order to insure that such requests for reconsideration are given prompt attention, the Board has, by the instant amendment, instituted procedures governing requests for reconsideration of Board actions with respect to certain applications.

The provisions of 5 U.S.C. 553 relating to notice and public participation and deferred effective date are not followed in connection with the adoption of these amendments because the rules involved herein are procedural in nature and do not constitute a substantive rule subject to the requirements of such section. The amendment is effective immediately.

In order to institute these procedures, 12 CFR Part 262 is amended by adding new § 262.3(i) by redesignating the subsequent sections accordingly and by withdrawing § 262.3(g)(5). The new § 262.3(i) is to read as follows:

§262.3 Applications.

* * * * *

(i) *Reconsideration of certain Board actions.* The Board may reconsider

any action taken by it on an application upon receipt by the Secretary of the Board of a written request for reconsideration from any party to such application, on or before the 15th day after the effective date of the Board's action. Such request should specify the reasons why the Board should reconsider its action, and present relevant facts that for good cause shown, were not previously presented to the Board. Within 10 days of receipt of such a request, the General Counsel, acting pursuant to delegated authority (12 CFR 265.2(b)(7)), shall determine whether or not the request for reconsideration should be granted, and shall notify all parties to the application orally by telephone of this determination within 10 days. Such notification will be confirmed promptly in writing. In the exercise of this authority, the General Counsel shall confer with the Directors of other interested Divisions of the Board or their designees. Notwithstanding the foregoing, the Board may, on its own motion if it deems reconsideration appropriate, elect to reconsider its action with respect to any application, and the parties to such application shall be notified by the Secretary of the Board of its election as provided above. If it is determined that the Board should reconsider its action with respect to an application, such action will be stayed and will not be final until the Board has acted on the application upon reconsideration. If appropriate, notice of reconsideration of an application will be published promptly in the FEDERAL REGISTER.

For the Rules of Procedure to be complete, retain:

- 1) March 1, 1973 revision of the Rules.
- 2) Amendment effective October 19, 1977.
- 3) This slip sheet.

For the Rules Regarding Delegation of Authority to be complete, retain:

- 1) Printed pamphlet, as amended September 1, 1977.
- 2) Amendments effective September 27, 1977, October 5, 1977, October 6, 1977, November 16, 1977, January 26, 1978, May 17, 1978, and August 2, 1978.
- 3) This slip sheet.

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(Over)

In addition, in order to accomplish the delegation provided for above, 12 CFR Part 265 is amended by adding § 265.2(b) (7) to read as follows:

§ 265.2 Specific functions delegated to Board employees and to Federal Reserve Banks.

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(b) The General Counsel of the Board (or in the General Counsel's absence, the Acting General Counsel) is authorized:

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(7) pursuant to § 262.3 (i) of this chapter (Rules of Procedure) to determine whether or not to grant a request for reconsideration of any action taken by the Board with respect to an application as provided in that part.

[Docket No. R-0184]

PART 262—RULES OF PROCEDURE

Submission of Comments on Applications and Requests for Hearing

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule.

SUMMARY: In order to expedite and facilitate performance of certain of its functions, the Board of Governors has instituted procedures to govern its consideration of comments and requests for hearing on certain applications required by law.

EFFECTIVE DATE: October 19, 1978.

FOR FURTHER INFORMATION CONTACT:

Robert E. Mannion, Associate General Counsel, 202-452-3274 or Bronwen M. Mason, Senior Attorney, 202-452-3564, Legal Division, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

SUPPLEMENTARY INFORMATION: The Board has the authority under several statutes and regulations promulgated thereunder to require that companies make application for the Board's prior approval of certain transactions involving banking organizations. While the public, as well as certain supervisory agencies, have generally been afforded an opportunity to comment on certain applications, such comments have not been handled uniformly in the past, and consideration of untimely comments has often resulted in extraordinary delays in the processing of applications. In order to effectuate an orderly procedure for the processing of applications, and to insure that comments or requests for a hearing with respect to applications are handled in a uniform manner, the Board has, by the instant amendment, instituted procedures governing the consideration of comments and requests for hearing with respect to applications that it considers.

The provisions of 5 U.S.C. 553 relating to notice and public participation and deferred effective date are not followed in connection with the adoption of these amendments because the rules involved herein are procedural in nature and do not constitute a substantive rule subject to the requirements of such section. The amendment is effective immediately.

In order to institute these procedures, 12 CFR Part 262 is amended by adding new § 262.3(d) and redesignating the subsequent sections. The new § 262.3(d) is to read as follows:

§ 262.3 Applications.

* * * * *

(d) *Submission of comments and requests for hearing.* The Board will consider a comment or request for hearing with respect to an application only if it is in writing and is sent to the Secretary of the Board or the appropriate Federal Reserve Bank on or before the date prescribed in the FEDERAL REGIS-

TER notice with respect to applications filed under sections 3 or 4 of the Bank Holding Company Act or, in the case of other applications, the date specified in the newspaper notice with respect to such applications, or where no such date is prescribed, on or before the 13th day after the date such notice is first published. Similarly, the Board will consider comments on an application from the Attorney General or a banking supervisory authority to which notification of receipt of an application has been given, only if such comment is received by the Secretary of the Board within 30 days of the date of the letter giving such notification. Any comment on an application that requests a hearing must include a statement of why a written presentation would not suffice in lieu of a hearing, identifying specifically any questions of fact that are in dispute and summarizing the evidence that would be presented at a hearing. In every case where a timely comment or request for hearing is received as provided herein, a copy of such comment or request shall be forwarded promptly to the applicant for its response. The Board will consider the applicant's response only if it is in writing and sent to the Secretary of the Board on or before the 10th day after the date of the letter by which it is forwarded to the applicant. At the same time it transmits its response to the Board, the applicant should transmit a copy of its response to the person or supervisory authority making such comment or requesting a hearing. Notwithstanding the foregoing, the Board may, in its sole discretion and without notifying the parties, take into consideration the substance of comments with respect to an application, (but not requests for hearing) that are not received within the time periods provided herein.

Board of Governors of the Federal Reserve System, October 19, 1978.

THEODORE E. ALLISON,
Secretary of the Board.