

FEDERAL RESERVE BANK
OF NEW YORK

ATCIRN 9745
October 29, 1984

BOARD OF GOVERNORS' SEMIANNUAL
AGENDA OF REGULATIONS

OCTOBER 1, 1984 — APRIL 1, 1985

*To All Depository Institutions
in the Second Federal Reserve District:*

Printed on the following pages is the text of the Board of Governors' Semiannual Regulatory Flexibility Agenda for the period October 1, 1984 through April 1, 1985, which has been reprinted from the *Federal Register* of October 22, 1984. The Agenda provides you with information on those regulatory matters that the Board now has under consideration or anticipates considering over the next six months. It is divided into three parts: (1) regulatory matters that have been proposed and are under Board consideration, and other regulatory matters that the Board may consider for public comment during the next six months; (2) major regulatory reviews in progress under the Board's Regulatory Improvement Project over the next 12 months; and (3) regulatory matters that the Board has completed or is not expected to consider further.

Comments or questions regarding any of the Agenda items may be submitted directly to the Board of Governors or to the Regulations Division of this Bank.

ANTHONY M. SOLOMON,
President.

Federal Reserve

Monday
October 22, 1984

Part XLIX

Federal Reserve System

Semiannual Regulatory Agenda

FRS

FEDERAL RESERVE SYSTEM

12 CFR CH. II

Semiannual Regulatory Flexibility Agenda

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Semiannual Agenda.

SUMMARY: The Board is issuing this Agenda under the Regulatory Flexibility Act and the Board's Statement of Policy Regarding Expanded Rulemaking Procedures. The Board anticipates having under consideration regulatory matters as indicated below during the period from October 1, 1984 through April 1, 1985. The next Semiannual Agenda will be published in April 1985.

DATE: Comments about the form or content of the Agenda may be submitted any time during the next six months.

ADDRESS: Comments should be addressed to William W. Wiles, Secretary of the Board, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

FOR FURTHER INFORMATION CONTACT: A staff contact for each item is indicated with the regulatory description below.

SUPPLEMENTARY INFORMATION: The Board is publishing its October 1984 Agenda as part of the October 1984 Unified Agenda of Federal Regulations, which is coordinated by the Office of Management and Budget under Executive Order 12291. Participation by the Board in the Unified Agenda is on a voluntary basis.

The Board's Agenda is divided into three sections. The first, Current and

Projected Rulemakings, reports on regulatory matters that have been proposed and are under Board consideration, and other regulatory matters (designated by a plus sign (+)) the Board may consider for public comment during the next six months. The second section, Existing Regulations Under Review, reports on any major regulatory reviews under the Board's Regulatory Improvement Project that are scheduled for the next 12 months. A third section, Completed Rulemaking, reports on regulatory matters the Board has completed or is not expected to consider further.

A dot (●) preceding an entry indicates a new matter that was not a part of the Board's previous Agenda, and which the Board has not completed.

Barbara R. Lowrey,
Associate Secretary of the Board.

Current and Projected Rulemakings

Se- quence Number	Title	Regulation Identifier Number
1	Regulation: B - Equal Credit Opportunity (Docket Number: R-0473).....	7100-AA28
2	Regulation: E - Electronic Fund Transfers (Docket Number: R-0502).....	7100-AA34
3	+ Regulation: F - Securities of State Member Banks.....	7100-AA32
4	Regulation: J - Collection of Checks and Other Items and Wire Transfers of Funds (Docket Number: R-0357 and R-0522).....	7100-AA43
5	Regulation: K - International Banking Operations (Docket Number: R-0498).....	7100-AA35
6	Regulation: K - International Banking Operations (Docket Number: R-0520).....	7100-AA44
7	Regulation: Q - Interest on Deposits (Docket Number: R-0514).....	7100-AA36
8	+ Regulation: U - Credit by Banks For The Purpose of Purchasing or Carrying Margin Stocks (Docket Number: R-0510).....	7100-AA38
9	Regulation: Y - Bank Holding Companies and Change in Bank Control (Docket Number: R-0511).....	7100-AA17
10	Regulation: Y - Bank Holding Companies and Change in Bank Control (Docket Number: R-0491).....	7100-AA40
11	+ Regulation: Y - Bank Holding Companies and Change in Bank Control.....	7100-AA26
12	+ Regulation: Y - Bank Holding Companies and Change in Bank Control.....	7100-AA41
13	Regulations: Y - Bank Holding Companies and Change in Bank Control; Regulation: H - "State Bank Membership"; and Rules of Practice for Hearings (Docket Number: R-0526).....	7100-AA45
14	Regulation: Z - Truth in Lending (Docket Number: R-0501).....	7100-AA37
15	+ Regulation: AA - Unfair or Deceptive Acts or Practices (Docket Number: R-0006).....	7100-AA42
16	Regulation: Equal Employment Opportunity (Docket Number: R-0527).....	7100-AA46
17	Proposals to Reduce Risk on Large Dollar Transfer Systems (Docket Number: R-0515).....	7100-AA47

+ Indicates regulatory matter the Board may consider for public comment.

Existing Regulations Under Review

Se- quence Number	Title	Regulation Identifier Number
18	Regulatory Improvement Project.....	7100-AA14

FRS

Completed Actions

Sequence Number	Title	Regulation Identifier Number
19	Regulations: D - Reserve Requirements of Depository Institutions and Regulation Q - Interest on Deposits (Docket Number: R-0420)	7100-AA10
20	Regulations: G, T and U - "Securities Credit Transactions" (Docket Number: R-0512)	7100-AA39

FEDERAL RESERVE SYSTEM (FRS)

Current and Projected Rulemakings

1. REGULATION: B - EQUAL CREDIT OPPORTUNITY (DOCKET NUMBER: R-0473)

Legal Authority: 15 USC 1691b Equal Credit Opportunity Act

CFR Citation: 12 CFR 202

Abstract: In June 1983, the Board published notice of its intention to review Regulation B (48 FR 28285, June 21, 1983) as part of its Regulatory Improvement Project. (See Entry RIN 7100-AA14.) In its review of Regulation B the Board will focus on ways to update the regulation to carry out more effectively the provisions of the Equal Credit Opportunity Act, without diminishing the consumer protections contained in the Act and implementing regulation. The Board's notice asked commenters for information about any aspect of Regulation B that they believe should be examined. The Board also requested comment on several technical issues identified by the staff concerning the regulation's sample adverse action notice form, consideration of credit history information shared with a spouse, circumstances under which adverse action notices must be sent, reapplications for open-end credit, and treatment of authorized users of open-end credit.

The Board is reviewing the public comments that were received and is also conducting additional study of legal, economic, and other issues in this area. The Board expects within the (cont)

Timetable:

Action	Date	FR Cite
ANPRM	06/21/83	48 FR 28285
Propose specific revisions for comment by	12/00/84	

Small Entity: No

Additional Information: ABSTRACT CONT: next six months to publish for public comment specific proposed revisions to the regulation. The extent to which small lenders would be affected will depend largely on the nature of the revisions. However, revisions that result in reduced compliance burdens are expected to apply to all lenders equally, regardless of size.

Agency Contact: Lucy Griffin or John Wood, Senior Attorneys, Federal Reserve System, Division of Consumer and Community Affairs, 202 452-2412

RIN: 7100-AA28

2. REGULATION: E - ELECTRONIC FUND TRANSFERS (DOCKET NUMBER: R-0502)

Legal Authority: 15 USC 1693b Electronic Fund Transfer Act

CFR Citation: 12 CFR 205

Abstract: In January 1984, the Board published for comment two proposed amendments to Regulation E (49 FR 2204, January 18, 1984). The first proposal would bring within the definition of an electronic fund transfer, and thus within the coverage of the Electronic Fund Transfer Act and the regulation, transfers resulting from point-of-sale debit card transactions that are processed electronically but do not involve an electronic terminal at the point of sale.

Action is needed to resolve this matter because of current uncertainty about coverage of these transfers, and inquiries have been received by the Board from financial institutions, state agencies, and others. The proposed action also takes into account the fact that an increasing number of debit cards are being used for point-of-sale transactions. The point-of-sale proposal, if adopted, will provide clarification

and guidance to financial institutions in the treatment to be given these transfers, and would provide additional time in these cases for error resolution. The proposal would also provide clear protection for consumers in areas such as liability for (cont)

Timetable:

Action	Date	FR Cite
Board published for comment two proposed amendments to Regulation E	01/18/84	49 FR 2204
Further Board action by	12/00/84	

Small Entity: No

Additional Information: ABSTRACT CONT: unauthorized transfers and resolution of error allegations.

The second proposal would give financial institutions the option to disclose charges for electronic fund transfers -- on periodic statements -- either on a transaction-by-transaction basis, or as a total sum. The proposal is in response to requests from financial institutions for such flexibility.

These proposals would affect all financial institutions, as that term is defined in the Electronic Fund Transfer Act and Regulation E -- that is, any person that, directly or indirectly, holds a consumer asset account, such as a checking account, savings account, or money market fund account, and any person that issues an access device and agrees with a consumer to provide electronic fund transfer services.

The Board will review the public comments and consider further action within the next three months. The proposals are not expected to have a significant economic impact on a substantial number of small entities

FRS

Current and Projected Rulemakings

because the compliance requirements are unlikely to be very burdensome.

Agency Contact: Gerald Hurst, Senior Attorney, Federal Reserve System, Division of Consumer and Community Affairs, 202 452-3667

RIN: 7100-AA34

3. + REGULATION: F - SECURITIES OF STATE MEMBER BANKS

Legal Authority: 15 USC 78(l) Securities Exchange Act of 1934

CFR Citation: 12 CFR 206

Abstract: The Board will consider issuing for comment a proposal to amend Regulation F to conform that regulation with a series of recent changes in the securities disclosure regulations of the Securities and Exchange Commission. Pursuant to section 12(i) of the Securities Exchange Act of 1934, the Board is required to periodically update its securities disclosure regulations to make them substantially identical to comparable regulations of the Securities and Exchange Commission or to publish reasons why they should not be so revised.

Adoption of the proposal is not expected to have a significant economic impact on a substantial number of small member banks, since only a few banks are subject to the Board's regulation and the revisions of the disclosure requirements are not likely to be severe.

Timetable:

Action	Date	FR Cite
--------	------	---------

Board will consider issuing for comment a proposal to amend Regulation F by	04/00/85	
---	----------	--

Small Entity: No

Additional Information: ADDITIONAL AGENCY CONTACT: J. Virgil Mattingly, Associate General Counsel, Legal Division, (202) 452-3430.

Agency Contact: Walter McEwen, Attorney, Federal Reserve System, Legal Division, 202 452-3321

RIN: 7100-AA32

4. ● REGULATION: J - COLLECTION OF CHECKS AND OTHER ITEMS AND WIRE TRANSFERS OF FUNDS (DOCKET NUMBER: R-0357 AND R-0522)

Legal Authority: 12 USC 342 Federal Reserve Act; 12 USC 248(o) Federal Reserve Act; 12 USC 360 Federal Reserve Act; 12 USC 248(i) Federal Reserve Act

CFR Citation: 12 CFR 210

Abstract: In June 1984, the Board issued for public comment a proposal to improve the process by which checks are returned. Subpart A of Regulation J would be amended to require the paying bank to provide timely notice to the depository institution at which the check was originally deposited that the check is being returned unpaid (49 FR 26597, June 28, 1984). The Federal Reserve Banks would enhance the notification service they currently provide to assist paying banks in meeting this requirement, and also would make the service available to depository institutions for checks collected outside the Federal Reserve.

This proposal is a change in an earlier Board proposal issued in May 1981 and adopted in part by the Board in August 1981 (46 FR 42059, August 19, 1981). At that time the Board deferred action on three proposals: two have been incorporated in the new proposal and the other (an amendment incorporating provisions for collecting coupons and other securities similar to provisions regarding the payment and return of cash items) has been deferred pending further study. The Board has concluded that the new proposal should not have a significant economic impact (cont)

Timetable:

Action	Date	FR Cite
--------	------	---------

Board solicited comment on proposals to amend Subpart A	05/01/81	46 FR 24576
Board adopted one proposal and deferred action on others	08/19/81	46 FR 42059
Board requested comment on revised proposals	06/28/84	49 FR 26597
Further Board action by	12/30/84	

Small Entity: No

Additional Information: ABSTRACT CONT: upon a substantial number of small entities.

The Board will review the public comments and is expected to take further action within the next six months.

Agency Contact: Robert G. Ballen, Attorney, Federal Reserve System, Legal Division, 202 452-3265

RIN: 7100-AA43

5. REGULATION: K - INTERNATIONAL BANKING OPERATIONS (DOCKET NUMBER: R-0498)

Legal Authority: 12 USC 3901 et seq International Lending Supervision Act, 1983

CFR Citation: 12 CFR 211

Abstract: In February and March 1984, the Board adopted regulations implementing the International Lending Supervision Act of 1983 (Title IX, Pub. L. 98-181) with respect to maintenance of reserves against certain international assets, disclosure of information on international assets, and accounting rules for fees on certain international loans. In publishing these regulations the Board requested comment on whether and to what extent the Act should apply to U.S. branches, agencies, and commercial lending company subsidiaries of foreign banks. By action of February 13, 1984 (49 FR 5587, 5591), the Board left open the comment period on this issue in order to allow for further public comment.

If the Board determines to propose regulations affecting foreign banks under the Act, such regulations would not have a significant economic impact on a substantial number of small businesses since the rules would affect only international banks.

Timetable:

Action	Date	FR Cite
--------	------	---------

Board adopted regulations implementing the International Lending Supervision Act of 1983	02/13/84	49 FR 5591
Board adopted additional regulations	03/29/84	49 FR 12192
Board may propose further regulations by	04/00/85	

FRS

Current and Projected Rulemakings

Small Entity: No

Additional Information: ADDITIONAL AGENCY CONTACT: Kathleen O'Day, Senior Counsel, Legal Division, (202) 452-3786.

Agency Contact: Nancy P. Jacklin, Assistant General Counsel, Federal Reserve System, Legal Division, 202 452-3428

RIN: 7100-AA35

6. ● REGULATION: K - INTERNATIONAL BANKING OPERATIONS (DOCKET NUMBER: R-0520)

Legal Authority: 12 USC 601 to 604a; 12 USC 611 et seq; 12 USC 1841 et seq

CFR Citation: 12 CFR 211

Abstract: In June 1984, the Board proposed for comment revisions to its Regulation K governing the international operations of U.S. banking organizations (49 FR 26002, June 25, 1984). The review and proposed revision of the regulation were undertaken pursuant to a provision of the International Banking Act of 1978 which requires a review every five years of the rules governing Edge Corporations.

The proposed regulation presents several alternatives designed to enable Edge Corporations to provide a broader range of banking services than is currently permitted in order to improve the competitive position of Edge Corporations. This rule incorporates, with several modifications, a previous proposal that was published for comment in February 1979 (44 FR 10509, February 21, 1979). Other major provisions include an increase in the Edge Corporation lending limit; a change in the capitalization requirement to conform to the Board's Capital Adequacy Guidelines; relaxation of the limits on investments in other organizations; establishment of procedures governing a change in control of an Edge Corporation; and several (cont)

Timetable:

Action	Date	FR Cite
Proposal to improve competitive position of Edge Corporations	02/21/79	44 FR 10509

Action	Date	FR Cite
Earlier proposal included in revised Regulation K	06/25/84	49 FR 26002
Comment period extended until	10/12/84	49 FR 33895
Further Board action by	04/00/85	

Small Entity: No

Additional Information: ABSTRACT CONT: provisions governing U.S. operations of foreign banks.

It is not expected that the revisions would have a significant economic impact on a substantial number of small businesses. The Board will review the public comments and is expected to take further action within the next six months.

ADDITIONAL AGENCY CONTACT: James S. Keller, Manager, International Banking Applications, Division of Banking Supervision and Regulation, (202) 452-2523.

Agency Contact: Kathleen O'Day, Senior Counsel, Federal Reserve System, Legal Division, 202 452-3786

RIN: 7100-AA44

7. REGULATION: Q - INTEREST ON DEPOSITS (DOCKET NUMBER: R-0514)

Legal Authority: 12 USC 371b

CFR Citation: 12 CFR 217

Abstract: In March 1984, the Board proposed amendments to its rules concerning advertising interest on deposits to incorporate a policy statement concerning advertisements for split rate time deposits and for deposits used as Individual Retirement Account (IRA) investments (49 FR 11642, March 27, 1984). Under the proposal, in the case of a split rate account where a schedule of fixed rates to be paid is established in advance and the first rate to be paid is higher than subsequent rates, the Board would regard any advertisement of a rate as misleading unless the advertisement includes each rate to be paid in equal size type together with a conspicuous statement as to how long each rate will be in effect and a conspicuous statement of the average effective annual yield. In addition, advertisements should refer to IRAs as "tax deferred" and not as "tax exempt" or "tax free." The proposal would not

adversely affect small businesses because no additional reporting or recordkeeping requirements are imposed.

The Board will review the public comments and is expected to take further action during the next six months.

Timetable:

Action	Date	FR Cite
Board proposed amendments	03/27/84	49 FR 11642
Next Board action by	04/00/85	

Small Entity: No

Agency Contact: Gilbert T. Schwartz, Associate General Counsel, Federal Reserve System, Legal Division, 202 452-3625

RIN: 7100-AA36

8. + REGULATION: U - CREDIT BY BANKS FOR THE PURPOSE OF PURCHASING OR CARRYING MARGIN STOCKS (DOCKET NUMBER: R-0510)

Legal Authority: 15 USC 78g Securities Exchange Act of 1934, as amended; 15 USC 78h Securities Exchange Act of 1934, as amended; 15 USC 78w Securities Exchange Act of 1934, as amended

CFR Citation: 12 CFR 221

Abstract: In 1984, the Board may review a proposal submitted on behalf of a banking institution calling for an amendment to Regulation U that would permit banks to extend credit for options transactions in the same manner that broker-dealers may do so under Regulation T (Credit by Brokers and Dealers). In particular, the petitioner has requested the Board to change, if necessary, what is perceived to be a regulatory disparity between the treatment of banks and broker-dealers with respect to the financing of options transactions.

It is not anticipated that this proposal would affect a significant portion of the overall lending activities of a substantial number of small firms.

Timetable:

Action	Date	FR Cite
Board may review a proposal to amend Regulation U by	12/00/84	

FRS

Current and Projected Rulemakings

Small Entity: No

Additional Information: ADDITIONAL AGENCY CONTACTS: Robert Lord, Attorney; and Susan S. Meyers, Securities Regulation Analyst, Division of Banking Supervision and Regulation, (202) 452-2781.

Agency Contact: Laura Homer, Securities Credit Officer, Federal Reserve System, Division of Banking Supervision & Regulation, 202 452-2781

RIN: 7100-AA38

9. REGULATION: Y - BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL (DOCKET NUMBER: R-0511)

Legal Authority: 12 USC 1843(c)(8) Bank Holding Company Act

CFR Citation: 12 CFR 225

Abstract: In March 1984, the Board proposed for public comment an amendment to Regulation Y that would list certain additional nonbanking activities as generally permissible for bank holding companies under section 4(c)(8) of the Bank Holding Company Act and that may be applied for under the procedures of that section (49 FR 9215, March 12, 1984.) The activities proposed to be included in Regulation Y for the first time include: 1. commodity trading advisory services; 2. check guaranty services; 3. consumer financial counseling; 4. armored car services; 5. tax planning and tax preparation; and 6. operating a credit agency and credit bureau.

Consumer financial counseling and check guaranty services have been permitted previously by Board order on individual applications.

In addition the Board has proposed to expand the activities of property appraisal and providing advice in connection with future commission merchant activities. These activities have been included previously in the list of permissible activities (cont)

Timetable:

Action	Date	FR Cite
Board requested comment	03/12/84	49 FR 9215
Further Board action	04/00/85	

Small Entity: No

Additional Information: ABSTRACT CONT: in Regulation Y, although in a more restricted manner.

The Board has proposed to define and clarify the insurance agency and underwriting activities generally permissible for bank holding companies so as to conform the regulation to Title VI of the Garn-St. Germain Depository Institutions Act, which was adopted in October 1982.

Adoption of the proposal would enable bank holding companies to engage in additional activities and would impose no additional burden on any bank holding company.

The Board will review the comments and is expected to take further action within the next six months.

Agency Contact: James Scott, Attorney, Federal Reserve System, Legal Division, 202 452-3779

RIN: 7100-AA17

10. REGULATION: Y - BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL (DOCKET NUMBER: R-0491)

Legal Authority: 12 USC 1843(c)(8) Bank Holding Company Act

CFR Citation: 12 CFR 225

Abstract: In November 1983, the Board published for comment a proposal to eliminate the requirement in Regulation Y that bank holding companies engaging in credit life and credit accident and health insurance underwriting provide rate reductions or increased policy benefits in order to engage in this activity (48 FR 53125, November 25, 1983.) The Board took this action as a result of the suggestions of several commenters to the Board's recent revision of Regulation Y, who advocated elimination of the rate reduction requirement from the regulation. These commenters stated that in their view the requirement puts bank holding companies at a competitive disadvantage with respect to other providers of this service, and that they knew of no significant evidence that the performance of this activity has resulted in the adverse effects on the public considered by the Board in its 1972 decision approving this activity. It is expected that adoption of this proposal would lead to a relaxation of the regulatory burden on bank holding companies which engage in this activity.

The Board will review the public comments and is expected to take

further action within the next six months.

Timetable:

Action	Date	FR Cite
Board requested comment	11/25/83	48 FR 53125
Further Board action by	04/00/85	

Small Entity: No

Additional Information: ADDITIONAL AGENCY CONTACT: Michael J. O'Rourke, Attorney, Legal Division, (202) 452-3288.

Agency Contact: J. Virgil Mattingly, Associate General Counsel, Federal Reserve System, Legal Division, 202 452-3430

RIN: 7100-AA40

11. + REGULATION: Y - BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL

Legal Authority: 12 USC 1861 Bank Service Corporation Act

CFR Citation: 12 CFR 225

Abstract: The Board will consider issuing for public comment a proposal to amend Regulation Y by adding authority for member banks to invest individually or jointly in bank service corporations under an amendment to the Bank Service Corporation Act made by section 709 of the Garn-St Germain Depository Institutions Act of 1982.

Under the new law, banks may invest without any prior regulatory approval in corporations offering "back office" clerical service to other depository institutions. In addition, if they obtain the prior approval of the Board, member banks may invest in corporations that offer to any person services that the bank may offer under state or federal law or services that have been found by regulation to be permissible under section 4(c)(8) of the Bank Holding Company Act.

Adoption of regulations to implement the change would enable all banks, large and small, to engage in certain activities that previously were not available to them. It is not expected that adoption of this proposal would have a significant economic impact on a substantial number of small banks.

FRS

Current and Projected Rulemakings

Timetable:

Action	Date	FR Cite
Board will consider issuing for, comment a proposal to amend Regulation Y by	04/00/85	

Small Entity: No

Agency Contact: J. Virgil Mattingly, Associate General Counsel, Federal Reserve System, Legal Division, 202 452-3430

RIN: 7100-AA26

12. + REGULATION: Y - BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL

Legal Authority: 12 USC 1843 Bank Holding Company Act; 12 USC 1844(b) Bank Holding Company Act

CFR Citation: 12 CFR 225

Abstract: A provision of Regulation Y permits a state bank subsidiary of a bank holding company to engage through a nonbank subsidiary in any activity that is permissible under state law for the bank subsidiary itself, subject to the same limits as if the bank engages in the activity directly. (A similar rule applies to national bank subsidiaries regarding activities permissible for such banks under federal law.) The Board received comments on this provision in connection with its general request for comments in May 1983 regarding the proposed revision of Regulation Y. Some of the commenters challenged the Board's authority to issue this provision, although it has been part of Regulation Y since 1971. In taking final action on the revision of Regulation Y, the Board deferred consideration of the comments on this provision and allowed the existing rule to remain in effect in the interim (49 FR 794, January 5, 1984).

The Board plans to review this provision of the regulation in the near future. A determination to reverse the rule could have an adverse impact on many small banks that are subsidiaries of holding companies because they might be required to (cont)

Timetable:

Action	Date	FR Cite
Board requested comments	05/25/83	48 FR 23520
Board allows existing rule to remain in effect	01/05/84	49 FR 794
Board will review further by	04/00/85	

Small Entity: Yes

Additional Information: ABSTRACT CONT: restructure their nonbanking activities or to take other action.

Agency Contact: J. Virgil Mattingly, Associate General Counsel, Federal Reserve System, Legal Division, 202 452-3430

RIN: 7100-AA41

13. ● REGULATIONS: Y - BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL; REGULATION: H - "STATE BANK MEMBERSHIP"; AND RULES OF PRACTICE FOR HEARINGS (DOCKET NUMBER: R-0526)

Legal Authority: 12 USC 3907 International Lending Supervision Act of 1983; 12 USC 3903 International Lending Supervision Act of 1983; 12 USC 1844(b) Bank Holding Company Act; 12 USC 1818 Financial Institutions Supervisory Act of 1966; 12 USC 248 Federal Reserve Act; 12 USC 324 Federal Reserve Act; 12 USC 329 Federal Reserve Act

CFR Citation: 12 CFR 208, Appendix A; 12 CFR 225, Appendix A; 12 CFR 263

Abstract: In July 1984, the Board proposed for comment amended Capital Adequacy Guidelines for bank holding companies and State member banks as well as a regulation embodying procedures to enforce these Guidelines (49 FR 30317, July 30, 1984). This proposal is designed to implement the requirement in the International Lending Supervision Act of 1983 that the Board "cause banking institutions to achieve and maintain adequate capital." The proposal seeks to establish uniform minimum capital levels for all federally regulated banks (in conjunction with the Federal Deposit Insurance Corporation and the Comptroller of the Currency). The proposal would also raise the minimum capital requirements for larger regional and multinational state member banks and bank holding companies, and would establish a uniform minimum capital level for large and small banks and bank holding companies. The

impact on small institutions would be a slight easing of minimum primary capital requirements.

The Board will review the comments and is expected to take further action within the next six months.

Timetable:

Action	Date	FR Cite
Board requested comment	07/30/84	49 FR 30317
Further Board action by	04/00/85	

Small Entity: No

Additional Information: ADDITIONAL AGENCY CONTACT: Richard Spillenkothen, Assistant Director, Division of Banking Supervision and Regulation, (202) 452-2594.

Agency Contact: James E. Scott, Senior Attorney, Federal Reserve System, Legal Division, 202 452-3513

RIN: 7100-AA45

14. REGULATION: Z - TRUTH IN LENDING (DOCKET NUMBER: R-0501)

Legal Authority: 15 USC 1604, as amended Truth in Lending Act

CFR Citation: 12 CFR 226

Abstract: In January 1984, the Board published for comment a proposed amendment to Regulation Z, which would clarify that all credit cards issued for use in transactions that are generally exempt from Regulation Z are still subject to the Regulation Z provisions that prohibit the unsolicited issuance of credit cards and that limit the cardholder's liability for unauthorized use to a maximum of \$50 (49 FR 2210, January 18, 1984). The regulation already makes clear that these two provisions apply to cards issued for obtaining business-purpose credit, a class of credit that is otherwise exempt from Regulation Z.

The proposal is in response to questions from both the public and private sectors about the applicability of these two credit card provisions to cards used for other types of generally exempt transactions. The Board is concerned that, unless the credit card provisions apply to these cards, consumers who use them will not have any federal protections restricting unsolicited issuance of such cards and limiting their liability for the authorized use of cards.

FRS

Current and Projected Rulemakings

The vast majority of the credit cards that will be (cont)

Timetable:

Action	Date	FR Cite
Board requested comment	01/18/84	49 FR 2210
Further Board action by	04/00/85	

Small Entity: Yes

Additional Information: ABSTRACT CONT: affected by this amendment are telephone credit cards; therefore, the entities most affected will be in the telecommunications industry. However, cards issued for use with other types of exempt transactions (such as those issued for use with fixed credit lines over \$25,000 that are not secured by real estate or a dwelling) would also be subject to the provisions on issuance and liability for unauthorized use. Because there are many small companies in the telecommunications industry, the Board specifically solicited comment on small companies or other potentially affected industries that currently have credit card programs, or that might develop them in the future.

If the amendment is adopted, the Board will also consider appropriate action to minimize initial compliance costs associated with the amendment.

The Board will review the comments and take further action during the next six months.

Agency Contact: Ruth R. Amberg, Senior Attorney, Federal Reserve System, Division of Consumer and Community Affairs, 202 452-3667

RIN: 7100-AA37

15. + REGULATION: AA - UNFAIR OR DECEPTIVE ACTS OR PRACTICES (DOCKET NUMBER: R-0006)

Legal Authority: 15 USC 57a Federal Trade Commission Act

CFR Citation: 12 CFR 227

Abstract: The Federal Trade Commission (FTC) Act requires that whenever the FTC enacts a rule covering unfair or deceptive acts or practices, the Federal Reserve Board must, within 60 days of the rule's effective date, promulgate a substantially similar rule governing banks. The Board may decline to issue such a rule only if the Board determines that such acts or practices of banks are not unfair or deceptive or that

implementation of the rule with respect to banks would seriously conflict with essential monetary and payment systems policies of the Board.

In March 1984, the FTC published a trade regulations rule known as the Credit Practices Rule (49 FR 7740, March 1, 1984), which will prohibit certain provisions that sometimes appear in consumer credit contracts to aid in the collection of unpaid debts. It will also impose certain specific disclosure and contractual requirements on creditors. The rule will go into effect on March 1, 1985 and will apply only to non-financial institution creditors.

When the FTC first published the proposed Credit Practices Rule in 1975, the Board published a substantially similar (cont)

Timetable:

Action	Date	FR Cite
Board published similar proposal		40 FR 19495
FTC proposed Credit Practices Rule		40 FR 16347
FTC adopted the Credit Practices Rule	03/01/84	49 FR 7740
Board to determine appropriate action by	04/00/85	

Small Entity: Yes

Additional Information: ABSTRACT CONT: proposal (40 FR 19495). The Board received public comments and made them available to the FTC. The final rule promulgated by the FTC covers only half as many practices as the 1975 proposals.

The Board is presently examining its responsibilities under the FTC Act and will be taking appropriate action in the future. To the extent the Board publishes a substantially similar regulation, some banks, including small banks, may have to change their practices and incur costs in redrafting forms and contracts.

Agency Contact: Steven Zeisel or Richard Garabedian, Staff Attorneys, Federal Reserve System, Division of Consumer and Community Affairs, 202 452-3867

RIN: 7100-AA42

16. ● REGULATION: EQUAL EMPLOYMENT OPPORTUNITY (DOCKET NUMBER: R-0527)

Legal Authority: 12 USC 248(l) Federal Reserve Act, Sec 11(l)

CFR Citation: 12 CFR 268

Abstract: In August 1984, the Board issued for public comment proposals to revise and expand its Equal Employment Opportunity regulation for the following purposes: (1.) to conform the regulation in so far as possible to existing regulations of the Equal Employment Opportunity Commission governing the substantive rights of employees and applicants for employment with Federal agencies; (2.) to designate clear responsibility for equal employment opportunity functions in light of changes in the Board's organizational structure; and (3.) to prohibit discrimination against the handicapped in programs and activities conducted by the Board.

It is not expected that this proposal would have a significant economic impact on a substantial number of small entities as it focuses primarily on Board personnel and management policies and practices.

The Board will review the public comments and is expected to take further action during the next six months.

Timetable:

Action	Date	FR Cite
Board requested comment	08/24/84	49 FR 33822
Further Board action by	04/00/85	

Small Entity: No

Additional Information: ADDITIONAL AGENCY CONTACT: Stephen L. Siciliano, Senior Counsel, Legal Division, (202) 452-3920.

Agency Contact: Portia Thompson, EEO Programs Officer, Federal Reserve System, Office of Staff Director for Management, 202 452-3549

RIN: 7100-AA46

17. ● PROPOSALS TO REDUCE RISK ON LARGE DOLLAR TRANSFER SYSTEMS (DOCKET NUMBER: R-0515)

Legal Authority: 12 USC 221 et seq

Abstract: In April 1984, the Board requested public comment on several proposals to reduce risks on large-

FRS

Current and Projected Rulemakings

dollar wire transfer systems (49 FR 13186, April 3, 1984). The Board took this action in response to its concern that developments that might arise in connection with such networks could destabilize financial markets and the economy. The proposals, if adopted, would likely apply only to financial institutions, although customers of such institutions may be affected indirectly. Because large-dollar funds transfer systems are typically used frequently only by the largest financial institutions, it is not anticipated that

these proposals, if adopted, would have a significant economic impact on a substantial number of small entities.

The Board will review the public comments and is expected to take further action within the next six months.

Timetable:

Action	Date	FR Cite
Board requested comment	04/03/84	49 FR 13186

Action	Date	FR Cite
Board extended comment period until	10/29/84	49 FR 24595
Further Board action by	04/00/85	

Small Entity: No

Agency Contact: Edward C. Ettin, Deputy Director, Federal Reserve System, Division of Research and Statistics, 202 452-3368

RIN: 7100-AA47

FEDERAL RESERVE SYSTEM (FRS)

Existing Regulations Under Review

18. REGULATORY IMPROVEMENT PROJECT

Legal Authority: 12 USC 3501 Financial Regulation Simplification Act of 1980

Abstract: The Board's Regulatory Improvement Project involves, among other things, a substantive, zero-based review of all Federal Reserve regulations that affect the public to determine: (1) the fundamental objectives of the regulation and the extent to which it is meeting current policy goals, (2) nonregulatory alternatives that would accomplish the objectives, (3) costs and benefits of the regulation, (4) unnecessary burdens imposed by the regulation, and (5) the clarity of the regulation. The Project also participates in the development of proposals listed in this agenda to ensure that the objectives of the Project are met.

Since publication of the last semiannual Agenda, a proposed revision of Regulation K ("International Banking Operations") has been issued for comment. (See Entry RIN 7100-AA44). In addition, Regulation B ("Equal Credit Opportunity") is being reviewed to

determine whether to propose specific revisions for comment. (See Entry RIN 7100-AA28). It is expected that both of these reviews will be completed during the next twelve months. Consideration will be given to commencing within the next (cont)

Timetable:

Action	Date	FR Cite
ANPRM Regulation B	06/21/83	48 FR 28285
Revision of Regulation K proposed for comment	06/25/84	49 FR 26002
Revision of Equal Employment Opportunity Regulation proposed for comment	08/24/84	49 FR 33822
Proposed Revision of Regulation B may be issued for comment by	12/00/84	

Small Entity: No

Additional Information: ABSTRACT CONT: twelve months the zero-based

review of the following regulations: H-- "Membership of State Banking Institutions in the Federal Reserve System" (12 CFR 208); I-- "Issue and Cancellation of Capital Stock of Federal Reserve Banks" (12 CFR 209); P-- "Minimum Security Devices and Procedures for Federal Reserve Banks and State Member Banks" (12 CFR 216); and R-- "Relations with Dealers in Securities under Section 32, Banking Act of 1933" (12 CFR 218).

Consideration will also be given to beginning major reviews of the Board's "Rules of Procedure" (12 CFR 262) and the "Rules Regarding Availability of Information" (12 CFR 261), and to developing a simplified draft of the Board's "Equal Employment Opportunity" regulation (12 CFR 268).

Commenters are invited to submit any suggestions they may have for possible changes in this regulatory agenda for the next twelve months.

Agency Contact: Barbara R. Lowrey, Associate Secretary, Federal Reserve System, Office of the Secretary, 202 452-3742

RIN: 7100-AA14

FEDERAL RESERVE SYSTEM (FRS)

Completed Actions

COMPLETED RULEMAKINGS**19. REGULATIONS: D - RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS AND REGULATION Q - INTEREST ON DEPOSITS (DOCKET NUMBER: R-0420)**

Legal Authority: 12 USC 461(a) Federal Reserve Act, Sec 19(a)

CFR Citation: 12 CFR 204; 12 CFR 217

Abstract: In August 1982, the Board requested public comment on a proposal to amend Regulations D and Q to increase the maximum size limitation on business savings accounts at member banks to \$250,000 (47 FR 38137, August 30, 1982). Currently, member banks are not permitted to accept savings deposits in excess of \$150,000 per depositor from organizations operated for profit. The Board also

invited comment on the possibility of eliminating this limitation completely. Small banks would benefit from either a liberalization or elimination of this limit because the change would allow these institutions to compete more effectively with thrift institutions, which currently are subject to no such limitation. Further, small businesses should be aided by the opportunity to

FRS

Completed Actions

place larger cash balances in interest-bearing accounts.

In view of the availability of the Money Market Deposit Account category to businesses without limitation, it is not likely that this proposal will be adopted by the Board.

Timetable:

Action	Date	FR Cite
Board requested comment	08/30/82	47 FR 38137
Further Board action not expected	00/00/00	

Small Entity: No

Agency Contact: Gilbert T. Schwartz, Associate General Counsel, Federal Reserve System, Legal Division, 202 452-3625

RIN: 7100-AA10

20. REGULATIONS: G, T AND U - "SECURITIES CREDIT TRANSACTIONS" (DOCKET NUMBER: R-0512)

Legal Authority: 15 USC 78g Securities Exchange Act of 1934; 15 USC 78h Securities

Exchange Act of 1934; 15 USC 78w Securities Exchange Act of 1934

CFR Citation: 12 CFR 207; 12 CFR 220; 12 CFR 221

Abstract: In March 1984, the Board proposed for public comment a change in the definition of "margin security" to include those stocks designated by the Securities and Exchange Commission as qualified for trading in the National Market System (49 FR 9741, March 15, 1984). These stocks would become marginable upon the publication of their designation by the Securities and Exchange Commission in the Federal Register. The Board would continue to publish its List of OTC Margin Stocks three times annually to reflect the marginability of other OTC securities.

The Board reviewed the public comments and in September 1984, adopted the proposal in substantially the form proposed. It is not expected that the proposal would have a significant impact on a substantial number of small firms. The proposal should be beneficial since it will expedite the determination of the

eligibility of certain securities on which broker-dealers may extend credit.

Timetable:

Action	Date	FR Cite
Board proposed for comment change in definition of "margin security"	03/15/84	49 FR 9741
Board adopted the proposal	09/05/84	

Small Entity: No

Additional Information: ADDITIONAL AGENCY CONTACTS: Laura Homer, Securities Credit Officer; and Jamie Lenoci, Financial Analyst, Division of Banking Supervision and Regulation, (202) 452-2781.

Agency Contact: Robert S. Plotkin, Assistant Director, Federal Reserve System, Division of Banking Supervision & Regulation, 202 452-2781

RIN: 7100-AA39

[FR Doc. 84-27110 Filed 10-19-84; 8:45am]