

**FEDERAL RESERVE BANK
OF NEW YORK**

[Circular No. **10469**]
July 12, 1991

DEFINITION OF HIGHLY-LEVERAGED TRANSACTIONS
Comment Invited by August 26

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

The Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Board of Governors of the Federal Reserve System have jointly issued a request for comment, *by August 26, 1991*, on the supervisory definition of highly-leveraged transactions (HLTs). Following is the text of the announcement by the Federal Reserve Board:

The Federal Reserve Board, along with the Comptroller of the Currency and the Federal Deposit Insurance Corporation, has issued a request for public comment on the supervisory definition of highly-leveraged transactions (HLTs).

Comments must be submitted by August 26, 1991.

Federal banking regulators established a common definition of HLTs in October 1989 to provide a consistent means of aggregating and monitoring this type of financing transaction. Additional interpretive guidance was provided by the agencies in February 1990 and February 1991.

Under the definition, a bank or bank holding company is considered to be involved in a highly-leveraged transaction when credit is extended to or investment is made in a business where the financing transaction involves the buyout, acquisition, or recapitalization of an existing business and *one* of the following criteria is met:

- the transaction results in a liabilities-to-assets leverage ratio higher than 75 percent, or
- the transaction at least doubles the subject company's liabilities and results in a liabilities-to-assets leverage ratio higher than 50 percent, or
- the transaction is designated an HLT by a syndication agent or a federal regulator.

The agencies are requesting comment in view of questions that have been raised regarding the application and impact of the HLT definition.

Enclosed — for depository institution in this District — is the text of the official notice on this matter, as submitted for publication in the *Federal Register*. Additional, single copies may be obtained at the Bank (33 Liberty Street) from the Issues Division on the first floor, or by calling the Circulars Division (Tel. No. 212-720-5215 or 5216). Comments thereon should be submitted by August 26 and may be sent to the agencies, as specified in the notice, or, at this Bank, to Kathleen A. O'Neil, Vice President.

E. GERALD CORRIGAN,
President.

DEPARTMENT OF THE TREASURY
OFFICE OF THE COMPTROLLER OF THE CURRENCY

[DOCKET NO. 91-7]

FEDERAL DEPOSIT INSURANCE CORPORATION

[DOCKET NO. 050984]

FEDERAL RESERVE SYSTEM

[DOCKET NO. R-0734]

**The Supervisory Definition of
Highly-Leveraged Transactions**

AGENCIES: Office of the Comptroller of the Currency, Treasury (OCC); Federal Deposit Insurance Corporation (FDIC); and Board of Governors of the Federal Reserve System (Board).

ACTION: Joint request for comment.

SUMMARY: The three federal banking agencies have received questions and comments regarding the designation, reporting and delisting of highly-leveraged transactions (HLTs). Additionally, some borrowers have indicated that the HLT designation is viewed as a criticism of credit quality by analysts, bankers and investors, even though the HLT designation does not imply supervisory criticism.

To address these concerns, the Agencies (OCC, FDIC and Board), are seeking public comment on all aspects of the HLT definition and criteria, as well as comments on specific issues raised by questions which the Agencies have received.

DATES: Comments must be submitted on or before August 26, 1991

[Enc. Cir. No. 10469]

ADDRESSES: Comments should be directed to:

OCC: Communications Division, 250 E Street, S.W., Washington, D.C. 20219; Attention: Docket No. 91-7. Comments will be available for public inspection and photocopying at the same location.

FDIC: Hoyle L. Robinson, Executive Secretary, Federal Deposit Insurance Corporation, 550 17th Street, N.W., Washington, D.C. 20429; Attention: Docket No. 050984. Comments may be hand delivered to Room F-402, 1776 F Street, N.W., Washington, D.C., on business days between 8:30 a.m. and 5 p.m. Comments may also be inspected in Room F-402 between 8:30 a.m. and 5:00 p.m. on business days. [FAX number: (202) 898-3838]

Board: Mr. William Wiles, Secretary of the Board, Board of Governors of the Federal Reserve System, 20th and Constitution Avenue, N.W., Washington, D.C. 20551; Attention: Docket No. R-0734 or delivered to Room B-2223, Eccles Building, between 8:45 a.m. and 5:15 p.m. Comments may be inspected in Room B-1122 between 9:00 a.m. and 5:00 p.m., except as provided in Sec 261.8 of the Board's Rules Regarding Availability of Information, 12 CFR 261.8.

FOR FURTHER INFORMATION CONTACT:

OCC: John W. Turner, National Bank Examiner, (202) 874-5170, Chief National Bank Examiner's Office.

FDIC: Garfield Gimber, Examination Specialist, (202) 898-6913,

Chief National Bank Examiner's Office.

FDIC: Garfield Gimber, Examination Specialist, (202) 898-6913,
Division of Supervision.

Board: Todd A. Glissman, Supervisory Financial Analyst, Division
of Banking Supervision and Regulation, (202) 452-3953, and
William G. Spaniel, Senior Financial Analyst, Division of Banking
Supervision and Regulation, (202) 452-3469.

SUPPLEMENTARY INFORMATION:

Throughout the mid to late 1980s, the federal bank
regulatory agencies individually employed supervisory guidelines
and definitions related to Highly-Leveraged Transactions (HLTs).
These guidelines were issued to provide procedures to examiners
for identifying and evaluating this type of financing
transaction.

The approach used in these guidelines was to develop a
flexible definition of HLTs; encourage financial institutions to
establish appropriate internal limits for risk management
purposes; and instruct examiners to carefully review internal
credit review and monitoring procedures, as well as the overall
risks associated with HLTs. In June 1989, the Securities and
Exchange Commission (SEC) issued guidance to all public companies
requiring disclosure of highly-leveraged transactions in public
financial statements.

Prior to the adoption of a common definition of HLTs,
financial institutions employed a wide range of definitions.

This lack of consistency complicated the job of examiners in identifying and assessing HLT credits, as well as the important supervisory task of monitoring the growth trends of HLT lending. In addition, the lack of a common definition also made it difficult for financial institutions to compare their own performance with that of their peers.

In October 1989, the Agencies adopted a common definition of HLTs. The purpose of this effort was to establish consistent procedures among the Agencies in identifying and assessing HLTs. The HLT definition by itself has never implied any supervisory criticism of individual credits. As with any other commercial loan, an HLT credit is subject to examiner criticism only after a thorough review of the borrower's financial condition, income, and cash flow; the value of any collateral or guarantees; the quality and continuity of the borrower's management; and the borrower's ability to service its debt obligations.

Implementation of the HLT definition by examiners and use of the definition by financial institutions as the basis for making HLT disclosures gave rise to several questions regarding the breadth and content of the definition. In response to these questions, the agencies issued guidance to examiners in February of 1990 and in February of 1991. Among other things, this guidance 1) exempted from the HLT designation loans to small and medium-sized businesses through the application of a \$20 million de minimis exception; 2) exempted companies where only a small portion of total debt was HLT related; 3) broadened the criteria

for removing (delisting) loans from HLT status; 4) excluded from the definition certain credits that were not intended to be deemed HLTs; and 5) clarified other provisions of the definition.

In September 1990, the Board began collecting HLT data on the Consolidated Financial Statements for Bank Holding Companies (F.R. Y-9C). Prior to collecting this data, the Board sought public comment on the HLT definition and interpretive guidance, as part of revisions to reporting requirements. (The notice was published in the Federal Register on April 6, 1990, 55 FR 12894.) Subsequently, the Agencies began collecting HLT data in Reports of Condition and Income, completed by banks beginning in March 1991. Prior to implementation of revisions to these reports, comment was sought on the HLT definition and interpretive guidance from banking industry associations and from the public. (A notice was published in the Federal Register on December 26, 1990, 55 FR 53049.) Most of the comments received in connection with these report revisions came from the banking industry.

Recently, the Agencies have received additional questions and comments regarding HLTs. These comments, many of which have come from borrowers and specific industry groups, have focused on five areas: 1) the possible use of a cash flow criterion in the definition of HLTs; 2) the specific criteria for removing loans from HLT status; 3) the treatment of highly-leveraged firms with investment-grade debt ratings; 4) the application of the HLT definition to parent companies and their subsidiaries; and 5) the level of flexibility and judgement allowed to bank management by

the HLT definition.

The supervisory definition of HLTs has played an important role in helping the Agencies identify these credits and monitor the exposure of financial institutions over time. In addition, the development of the definition, together with the SEC disclosure requirements, has encouraged financial institutions to focus attention on the need for internal control and review mechanisms, and on the need to structure HLT credits in a way that is consistent with the risks involved. At the same time, the Agencies do not want questions or misunderstandings about the supervisory definition of HLTs to have an adverse impact on the availability of credit to sound borrowers. In this regard, and in view of the questions that have been raised, the Agencies are seeking public comment on ways to improve the identification of HLT credits. This request for comment will give an opportunity to borrowers and industry groups, as well as an additional opportunity to financial institutions, to comment on the supervisory definition. The agencies are seeking comment on the specific topics summarized below as well as all aspects of the definition which follows:

1. Cash Flow Criteria and Guidelines

The Agencies seek comments on the use of a standardized cash flow criterion in conjunction with designating and delisting HLTs. Of particular interest would be comments on: a) the use of a standardized cash flow analysis; b) minimum debt service

coverage ratios; c) the assumptions of these analyses; d) methods to review the appropriateness of cash flow models; e) the relationship of cash flows to the overall leverage ratio of an organization; and f) whether or not a single, non industry-specific cash flow criterion could be developed.

2. Delisting Criteria

Several questions regarding the delisting criteria have been raised. Comment is being sought on: a) the appropriate historical time frame for reviewing an organization's ability to operate successfully at high levels of leverage, b) the appropriate time frame(s) for delisting, c) the pertinent economic and financial data required for delisting, and d) other potential delisting criteria.

3. HLT Designation of Organizations with Investment-Grade Debt

Some organizations have questioned the appropriateness and consistency of an organization with investment-grade debt being identified as an HLT. Reasons for not exempting companies with investment-grade credit ratings from the HLT definition include: 1) the HLT designation was never intended to convey credit quality information or criticism, and 2) credit ratings can quickly deteriorate under the burden of heavy debt. The Agencies seek comment on: a) the number of HLT borrowers with investment-grade debt ratings; b) the effects of the HLT designation on organizations with investment-grade debt; and c) the desirability of introducing a credit quality criterion into the HLT definition.

4. Subsidiary HLTs and Their Effects on Consolidated Organizations

The Agencies have received questions regarding the application of the definition to subsidiaries and their parent organizations. The HLT guidelines require that if a company meets the HLT criteria on a consolidated basis, then all debt to the organization is designated as HLT debt. A subsidiary, however, that meets the HLT criteria, but that does not cause the consolidated organization to meet the HLT criteria, may stand alone as an HLT. The questions received have focused on having HLT subsidiaries designated as "stand-alone" entities rather than consolidating the HLT with its parent or other subsidiaries for reporting purposes. The Agencies seek comment on: a) potential guidelines for designating subsidiaries as "stand-alone" entities, and b) the current effects of the consolidation criteria on the pricing, structure and availability of credit.

5. Definitional Flexibility

Some questions have been raised regarding the degree of flexibility and judgement that may be exercised by bank management in designating credits as HLTs. In this regard, comment is requested on whether the supervisory definition of HLTs should be eliminated and, instead, allow management to designate HLTs based upon the bank's own internal loan review and categorization systems. This approach would be subject to examiner or supervisory review during on-site examinations in order to ensure that the definition used meets supervisory needs

and to encourage an element of consistency among banks. Such an approach would provide a measure of flexibility for management to take account of a wide range of factors, including cash flow, in designating credits as HLTs. The Agencies seek comment on whether this approach would result in individual banks giving different designations to the same credits, or employing different criteria, based upon differences in their internal loan evaluation and assessment systems. Comment is also sought on whether this would lead to inconsistent treatment among banks or complicate supervisory risk assessments of the impact of HLT lending.

Appendix

Definition and Guidance Regarding Highly-Leveraged Transactions ("HLT").

Following is a consolidated version of the current guidance on HLTs. This appendix reflects all previous guidance issued by the three federal banking agencies.

Summary of Definition

A bank or bank holding company is considered to be involved in a highly-leveraged transaction when credit is extended to or investment is made in a business where the financing transaction involves the buyout, acquisition, or recapitalization of an existing business and one of the following criteria is met:

- (a) the transaction results in a liabilities-to-assets leverage ratio higher than 75 percent; or
- (b) the transaction at least doubles the subject company's liabilities and results in a liabilities-to-assets leverage ratio higher than 50 percent; or
- (c) the transaction is designated an HLT by a syndication agent or a federal bank regulator.

Additional Guidance on the Definition of HLTs

A highly-leveraged transaction is a type of financing which involves the restructuring of an ongoing business concern financed primarily with debt. The purpose of an individual credit is most important when initially determining HLT status. Once an individual credit is designated as an HLT, all currently outstanding and future obligations of the same borrower are also included in HLT totals. This includes working capital loans and other ordinary credits, until such time as the borrower is delisted.

The regulatory purpose of the HLT definition is to provide a consistent means of aggregating and monitoring this type of financing transaction. It must be pointed out that the HLT designation does not imply a supervisory criticism of a credit. Before any HLT or any other credit is criticized, an examiner should review a whole range of factors on a credit-by-credit basis. These factors include cash flow, general ability to pay interest and principal on outstanding debt, economic conditions and trends, the borrower's future prospects, the quality and continuity of the borrower's management, and the lender's collateral position. Participation of banking organizations in highly-leveraged transactions is not considered inappropriate so long as it is conducted in a sound and prudent manner, including the maintenance of adequate capital and loan loss reserves to support the risks associated with these transactions.

Borrowers having questions regarding the HLT definition should first refer these questions to their bankers. Bankers should then refer questions they cannot answer to the bank's primary federal regulator.

Purpose Test

To become eligible for designation as an HLT, a financing transaction must involve the buyout, acquisition, or recapitalization of an existing business, domestic or foreign. This definition encompasses traditional leveraged buyouts, management buyouts, corporate mergers and acquisitions, and significant stock buybacks. Leveraged Employee Stock Option Plans (ESOPs) are also included when used to acquire or recapitalize an existing business.

For purposes of satisfying the HLT purpose test, a leveraged recapitalization involves a replacement of equity with debt on a company's balance sheet by means of a stock repurchase or dividend payout. Refinancing existing debt in a company is not deemed to be a leveraged recapitalization.

Exclusions from the HLT Definition:

Single Asset or Lease: This purpose test excludes the acquisition or recapitalization of a single asset or lease (for e.g., a large commercial building or an aircraft), or a shell company formed to hold a single asset or lease, from the HLT definition. Although such an acquisition may be highly-leveraged, the asset or lease, in and of itself, is not considered an ongoing business concern and, therefore, is not intended to be included in the HLT category. However, the acquisition or recapitalization of a leasing corporation which invests in fleets of equipment for leasing, or a building company which invests in real estate projects would satisfy the HLT purpose test.

De Minimis Test: Loans and exposures to any obligor in which the total financing package, including all obligations held by all participants, does not exceed \$20 million, at the time of origination, may be excluded from HLT designation. Nonetheless, there may be some banking organizations that in the aggregate have significant exposure to transactions below the de minimis level. It is expected that those organizations would continue to monitor closely these transactions as part of their aggregate HLT exposures.

Historical Cutoff Date: An HLT transaction not included in the Shared National Credit Program, that meets or exceeds the \$20 million test, may be excluded from HLT designation if it originated prior to January 1, 1987, the original terms and conditions of the credit are materially unchanged, the credit has not been criticized by examiners, and the financial condition of the debtor has not deteriorated.

Debtor-in-Possession Financings: Court-approved debtor-in-possession (or trustee-in-possession) financing for a business concern in Chapter 11 reorganization proceedings will generally be exempt from HLT designation. All pre-petition debt of an HLT borrower and any post-reorganization debt (after a company emerges from Chapter 11 bankruptcy) will continue to be included in HLT exposure until delisting occurs.

Leverage Tests

In addition to the purpose test, one of the following criteria must be met for the transaction to be considered an HLT:

- 1) The transaction at least doubles the subject company's liabilities and results in a total liabilities to total assets (leverage) ratio higher than 50 percent.

NOTE: The purpose of this leverage test is to capture transactions in which a company must suddenly deal with a substantially higher debt burden. The greatest risk in a credit exposure is not necessarily the absolute level of debt but may be the impact on a company of significant new debt. A key HLT success factor is ability to handle a sudden, large increase in debt.

The "doubling of liabilities" is intended to capture those transactions where new debt is used to facilitate the buyout, acquisition, or recapitalization of a business. If the sum of the acquiring and acquired companies' liabilities would double as a result of the new debt taken on to effect the combination of the companies, then the transaction is considered an HLT, and all exposure to the company is designated an HLT. It is not intended to cover a doubling resulting from the simple addition of the existing liabilities of the two companies.

Any refinanced portion of old debt in a transaction should continue to be treated as old debt for purposes of applying this leverage test. Further, if there was no debt in either company prior to the transaction, then any new debt will result in a "doubling of liabilities."

In an acquisition involving one or more operating divisions of a company (as opposed to stand-alone subsidiaries), existing liabilities of the seller associated with specific operating assets being transferred in the transaction may be allocated to the resulting company for purposes of applying the "doubling of liabilities" test. The burden of proof is on the resulting company and its financial institution(s) to substantiate that the allocation of the seller's liabilities to the resulting company is appropriate.

When calculating a company's leverage for the purpose of this test, captive finance company subsidiaries and subsidiary depository institutions should be excluded from the consolidated organization.

- 2) **The transaction results in a total liabilities to total assets (leverage) ratio higher than 75 percent.**

NOTE: When a company's leverage ratio exceeds 75%, the determination of whether exposure to the company is designated an HLT further depends on the composition of the company's total liabilities after the transaction. If a significant portion of the liabilities (generally 25% or more of total liabilities) derives from buyouts, acquisitions, or recapitalizations, either past or present, then all exposure to the company is designated an HLT. If, after the transaction, debt related to buyouts,

acquisitions, or recapitalizations, either past or present, represents less than 25% of total liabilities, then the exposure to the company need not be designated an HLT.

Again, when calculating a company's leverage for the purpose of this test, captive finance company subsidiaries and subsidiary depository institutions should be excluded from the consolidated organization.

3) **The transaction is designated an HLT by a syndication agent.**

In specific cases, the bank supervisory agencies may also designate a transaction as an HLT even if it does not meet the conditions outlined above. (It is anticipated that this would be done infrequently and only in material cases.)

Definition of the Leverage Ratio

The leverage ratio is total liabilities divided by total assets. Total assets of the resulting enterprise include intangible assets (such as goodwill). Total liabilities include all forms of debt (including any new debt taken on to facilitate the transaction) and claims, including all subordinated debt and non-perpetual preferred stock. Perpetual preferred stock is generally considered equity for purposes of calculating HLT leverage. However, exceptions could be made on a case-by-case basis if the stock has characteristics more akin to debt than equity.

Off-balance sheet exposure, including claims related to foreign exchange contracts, interest rate swaps, and other risk protection or cash management products may normally be excluded from HLT exposure as long as their credit equivalent exposure is small relative to other types of obligations. (It is expected, however, that internal management information and control systems be in place to capture these exposures.)

If a parent company uses "double leverage" (that is, takes on debt and downstreams it as equity to a subsidiary) to assist a subsidiary in an HLT purpose-related transaction, then the debt at the parent company will be considered HLT purpose-related debt when calculating leverage for the company on a consolidated basis.

In an acquisition involving a pure assumption of debt with no new debt issued, the transaction is not designated an HLT unless the resulting company's aggregate outstanding HLT purpose-related debt (from all previous transactions) is significant (generally 25 percent or more of total liabilities) and the 75 percent leverage test is satisfied.

Consolidation of HLT Exposure

All credit extended to, or investments made in an HLT should be aggregated with any ordinary business loans to, or investments in, the same obligor.

If a company satisfies the HLT purpose and leverage tests on a consolidated basis, then a loan to any part of the organization is deemed to be an HLT. On the other hand, if only a subsidiary of a company satisfies the HLT tests, then the subsidiary could "stand alone" as an HLT; however, if the subsidiary's debt level is significant enough to cause the consolidated organization to meet HLT leverage criteria, then all debt of the entire organization is designated HLT.

Guarantees of Payment

If a parent company supplies an irrevocable, unconditional guarantee of payment on behalf of its subsidiary and the leverage of the consolidated organization does not meet HLT leverage criteria, then the subsidiary will generally not be designated an HLT. On the other hand, if the subsidiary's leverage is significant enough to cause the consolidated organization to meet HLT leverage criteria, then all debt of the entire organization is accorded HLT status. (NOTE: Third-party guarantees and guarantees by related subsidiaries of a company have no effect on the HLT designation. While these types of guarantees offer credit enhancement benefits which will be taken into consideration during the review of individual credits by examiners, they generally lack the stronger bonds of support inherent in the relationship between a parent and its subsidiary.)

When a foreign parent company provides the equivalent of an irrevocable and unconditional guarantee of payment on behalf of a subsidiary, the subsidiary's debt will normally not be designated as HLT debt as long as the consolidated organization does not meet HLT leverage criteria and the following two conditions are met:

- (1) Written opinions from legal counsels in the country of origin and the United States are provided which state that the equivalent of a written guarantee of debt repayment exists which is irrevocable and unconditional; and
- (2) The credit files in the U.S. banking organizations lending to the subsidiary contain consolidated financial statements for the foreign parent stated in U.S. dollars under U.S. accounting rules.

Agent and Lead Bank Responsibility

To ensure consistent application of the definition, the agent or lead bank is responsible for determining whether or not a transaction qualifies as an HLT. The agent or lead bank is charged with the timely notification to participants regarding the status of the transaction and of any change in that status, i.e. designation as an HLT or delisting as an HLT.

The responsibility of the agent or lead bank to determine HLT status does not preclude a participant bank from designating a transaction as a HLT or relieve a participant from performing its own credit analysis. Examiners will review transaction for compliance with the HLT definition in the context of the Shared National Credit Program and during regular on-site examinations.

Delisting Criteria

HLT exposure of a given borrower may be removed from HLT status upon satisfying the general criteria and at least one of the specific criteria outlined below.

(a) General Criteria -- For credits to become eligible for removal from HLT status, a company must demonstrate an ability to operate successfully as a highly-leveraged company over a period of time. Under normal circumstances, two years should be sufficient for the credit to show performance and to validate the appropriateness of projections. The banking organization should conduct a thorough review of the obligor to include, at a minimum, overall management performance against the business plan, cash flow coverages, operating margins, status of asset sales, if applicable, reduction in leverage, and industry risk.

(b) Specific Criteria -- In addition to these general criteria, at least one of the following specific criteria must be met to become eligible for delisting:

(1) For exposures that were included because of the 75 percent leverage test, exposures are eligible for delisting from HLT status when leverage is reduced below 75 percent, and the company has demonstrated an ability to continue servicing debt satisfactorily without undue reliance on unplanned asset sales.

(2) If two years have passed since a company's most recent acquisition, buyout, or recapitalization satisfying the HLT purpose test, then the borrower's credits are eligible for delisting from HLT status if all debt satisfying the HLT purpose test is repaid in

full, even if the borrower's total liabilities to total assets leverage ratio continues to exceed 75 percent. The refinancing of HLT purpose-related debt through additional borrowings does not constitute a repayment of HLT debt. Rather, the repayment of debt must occur from cash generated from operations, planned sales of assets, or a capital injection.

(3) For exposures that were included because of the 75 percent leverage test, a borrower's credits are eligible for delisting when the borrower satisfies the general performance criteria for delisting for at least 4 (four) consecutive years since its last buyout, acquisition, or recapitalization involving financing; the company has a positive net worth; and the company's leverage ratio does not significantly exceed its industry norm. Although this criteria does not require leverage to be reduced to less than 75 percent, the borrower must demonstrate an ability to continue servicing debt satisfactorily without undue reliance on unplanned asset sales.

(4) For those exposures that arose under the "doubling of liabilities to greater than 50 percent" leverage criteria, delisting is acceptable based upon the general criteria in (a) above and a demonstrated ability to satisfactorily continue to service the debt.

It is expected that banks will maintain records of delisted exposures and reasons for delisting. After delisting, any significant changes in the obligor's financial condition should cause the exposure to be reviewed for relisting. Records pertaining to delisting and relisting of HLTs will be reviewed by examiners in the context of the Shared National Credit Program and/or regular on-site examinations.

If the HLT is shared, the lead or agent bank should inform all participants and its principal regulator of the decision to delist or relist.

July 2, 1991

Date

(signed) Robert L. Clarke

Robert L. Clarke
Comptroller of the Currency

July 2, 1991

Date

(signed) Hoyle L. Robinson

Hoyle L. Robinson
Executive Secretary of the
Federal Deposit Insurance Corporation

July 3, 1991

Date

(signed) William W. Wiles

William W. Wiles
Secretary of the
Board of Governors of the Federal Reserve System