

Proposed Rules

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This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

FEDERAL DEPOSIT INSURANCE CORPORATION

12 CFR Chapter III

Review of Regulations and Written Policies

AGENCY: Federal Deposit Insurance Corporation.

ACTION: Notice of opportunity for comment.

SUMMARY: The Federal Deposit Insurance Corporation (FDIC) is conducting a systematic review of each its regulations and written policies. Section 303(a) of the Riegle Community Development and Regulatory Improvement Act of 1994 (CDRI) requires the federal banking agencies to identify and revise regulations and written policies that may be inefficient, cause unnecessary burden or contain outmoded, duplicative or inconsistent provisions; and to work jointly to make uniform all regulations and policies that implement common statutory or regulatory schemes. As part of this systematic review, the FDIC is seeking public comment to identify ways in which its regulation and written policies can be streamlined and made uniform with the other banking agencies. Comments and suggestions should be as specific as possible, citing the particular part of the regulation or policy statement recommended for revision or rescission, and, if a revision is recommended, stating specifically the revision proposed. The FDIC already has undertaken various measures since the passage of section 303 to streamline its regulations and policies, as well as to work jointly with the other federal banking agencies to make uniform regulations and guidelines implementing common statutory and supervisory policies.

DATES: The FDIC anticipates that many of the reviews will result in the publication of proposals to revise specific regulations and statements of policy, with dates for comments identified at the time of publication.

While comments may be submitted at any time through the due dates identified when those proposals are published, the FDIC urges interested parties to submit comments as soon as possible. Those submitted before the tentatively scheduled completion dates for the reviews, as displayed in the schedule at the end of this document are more likely to be considered during the early stages of the development of recommendations.

ADDRESSES: Written comments should be addressed to the Office of the Executive Secretary, FDIC, 550 17th Street, NW, Washington, D.C. 20429. Comments may be hand delivered to Room F-402, 1776 F Street, N.W., Washington, D.C. 20439, on business days between 8:30 a.m. and 5:00 p.m. Comments may be sent fax to: (202) 898-3838 or by the Internet to: comments@fdic.gov. Comments will be available for inspection at the FDIC's Reading Room, Room 7118, 550 17th Street, N.W., Washington, D.C. between 9:00 a.m. and 4:30 p.m. on business days. All comments should reference CDRI section 303, and identify the regulation or policy statement which they concern.

FOR FURTHER INFORMATION CONTACT: Steven F. Hanft, Assistant Executive Secretary (Administration), Office of the Executive Secretary, (202) 898-3907; or Judith Bailey, Counsel, Legal Division (202) 898-6955; Federal Deposit Insurance Corporation, 550 17th Street, NW., Washington, D.C. 20429.

SUPPLEMENTARY INFORMATION: The FDIC is conducting a systematic review of its regulations and written policies. Section 303(a) of the CDRI (12 U.S.C. 4803(a)) requires that each federal banking agency shall, consistent with the principles of safety and soundness, statutory law and policy, and the public interest:

(1) Conduct a review of the regulations and written policies of that agency to—

(A) streamline and modify those regulations and policies in order to improve efficiency, reduce unnecessary costs, and eliminate unwarranted constraints on credit availability;

(B) remove inconsistencies and outmoded and duplicative requirements; and

(C) with respect to regulations prescribed pursuant to section 18(o) of the Federal Deposit Insurance Act (12

U.S.C. 1828(o), (real estate lending standards), consider the impact that such standards have on the availability of credit for small business, residential, and agricultural purposes, and on low- and moderate-income communities;

(2) work jointly with the Federal banking agencies to make uniform all regulations and guidelines implementing common statutory or supervisory policies; and

(3) submit a joint report to Congress at the end of such 2-year period detailing the progress of the agencies in carrying out this subsection.

Thus, there are two parts to the review required by section 303(a). First, the FDIC, like the other federal banking agencies, must review and streamline all its regulations and written policies to improve efficiency, to remove unnecessary costs and burdens, and to eliminate inconsistent, outmoded or duplicative provisions. Second, the FDIC is required to work with the other banking agencies to make uniform those regulations and guidelines that implement common statutory or supervisory policies. The federal banking agencies must report to Congress detailing the progress they have made in both the streamlining and uniformity reviews by September 23, 1996. To date, the FDIC has received some comments and uniformity reviews by September 23, 1996. To date, the FDIC has received some comments and suggestions for regulatory reform from interested parties, but the FDIC would like to encourage wider public involvement.

The FDIC has place a high propriety on regulatory review. In testimony on May 18, 1995 before the Subcommittee on Financial Institutions and Consumer Credit of the Committee on Banking and Financial Services of the U.S. House of Representatives, Chairman Helfer stated that the FDIC would test regulations against specific criteria:

(1) Whether the regulations are necessary to ensure a safe and sound banking system, (2) whether the regulations enhance the functioning of the marketplace, or (3) whether the regulations can be justified on strong public grounds related to consumer protection.

The FDIC is devoting considerable resources to regulatory review. The FDIC has assembled staff teams to review each of its regulations and policy statements, and those teams already