have begun this reviews. Further, FDIC staff is coordinating with staff of the other federal banking agencies to review common regulations, written policies and guidelines, with the goal of working toward uniformity. A schedule for reviewing FDIC regulations and policy statements appears at the end of this notice.

The FDIC seeks to impose the least intrusive and least burdensome regulations possible while affording maximum flexibility in implementing its statutory mandates. This approach is evident in recent changes to assessment regulation (12 CFR Part 327) which automate the assessment process and permit insured institutions to take advantage of a more flexible payment schedule, and to the FDIC's regulations on real estate appraisals (12 CFR Part 323), which reduce costs and encourage lending by decreasing the number of loans requiring an appraisal.

This approach is also manifested in the implementation of various provisions of FDICIA in which the FDIC has adopted minimal regulations together with flexible guidelines, such as the audit regulations (12 CFR Part 363), standards for safety and soundness (12 CFR Part 364), and real estate lending standards (12 CFR Part 365). Further, the FDIC is reducing regulatory burden by linking supervision more closely to risk with the risk-based insurance program, whereby wellcapitalized and well-managed institutions are charged considerably less for deposit insurance than institutions that are undercapitalized and exhibit weakness.

The FDIC's is mindful that regulatory burden also may be associated with examination and supervisory process, and is therefore investigating and introducing less intrusive examination techniques. The FDIC has reduced total hours per examination by 10% through pre-examination planning doing more of the examination work off-site in FDIC field offices coordinating examinations with sate and other federal regulators to eliminate supervisory overlap and to extend the examination cycle when appropriate, and increasing examination efficiency through automation of the examination process. The FDIC is beginning to develop an automated loan review program that will reduce the number of specialized loan reports requested by examiners.

The FDIC is also seeking additional reductions by surveying bankers to determine what the industry feels is burdensome about the examination process; and by investigating the use of Internet to permit electronic submission of applications, and to make available to the public supervisory materials such as

Financial Institution Letters, examination manuals, and the rules and regulations of the FDIC. The FDIC has already established procedures for using the Internet to comment on proposed rules and regulations. Additional regulatory revisions that are complete or well underway include:

- Final revisions to the FDIC's regulations implementing the Community Reinvestment Act (12 CFR Part 345) have been approved by the FDIC Board of Directors and were published on May 4, 1995 (60 FR 22156), providing more objective, performance-based assessment standards that minimize the burden of compliance while improving performance. The revised regulation provides alternative examination methods for different sizes and types of institutions, and emphasizes results rather than paperwork and procedure.
- A notice of proposed rulemaking to streamline and clarify the flood insurance provisions in the FDIC's regulations on "Loans in Areas having Special Flood Hazards" (12 CFR Part 339) was published on October 18, 1995 (60 FR 53962), with comments due December 17, 1995. The proposed changes to this regulation would clarify its terms and standardize recordkeeping and reporting requirements among all insured institutions.
- A notice of proposed rulemaking to simplify the reporting of suspected criminal activity, "Reports of Apparent Crimes" (12 CFR Part 353), was published on September 14, 1995, with a comment period that closed November 13, 1995 (60 FR 47719).
- A notice of proposed rulemaking on revisions to "Disclosure of Information" (12 CFR Part 309) was published on July 6, 1995 (60 FR 35148) with a comment period that closed September 9, 1995. The proposed revisions would make it easier for the public to obtain information from the FDIC.

As it continues with its regulatory review, the FDIC would like to provide an opportunity for the earliest possible participation by consumers, banking industry representatives, and the general public, before notices of proposed rulemaking and proposed revisions to policy statements are published by the FDIC Board as part of a notice-and-comment process. To that end the FDIC is encouraging the public to provide suggestions early in the review cycle to assist in the development of specific regulatory proposals. It is anticipated that, in many cases specific recommendations for modifying the FDIC's regulations and policies will be brought before the FDIC's Board of Directors as a result of the reviews. Those recommendations, if

- adopted by the FDIC's Board, will be published as formal proposals for comment. Comments provided at this early stage, however, will permit the formulation of improved proposals for consideration by the FDIC's Board of Directors. The request for comments at this early stage is thus separate from, and in addition to, any future opportunity for comment on specific proposed revisions to individual regulations and policies that may result from the work of the reviewing teams.
- Comments should be submitted on regulations and written policies that are unique to the FDIC as well as those that are in common with the other federal banking agencies.
- Comments should focus on and cite particular provisions or language, and provide particular reasons why such provisions are burdensome, inefficient or outmoded.
- Comments should cite particular provisions or language that should be revised or eliminated and, where possible or appropriate, suggest alternative provisions or language.
- If the implementation of a comment would require modifying the statutes that underlie a regulation or policy, the comment should, if possible, identify the needed statutory change.

Existing FDIC regulations are found in chapter XXII of title 5 and chapter III of title 12 of the Code of Federal Regulations. FDIC Statements of Policy are compiled in 2 FDIC Law, Regulations, Related Acts (FDIC), 5001-5412. As noted above, the FDIC anticipated that many of the reviews will result in the publication of proposals to revise specific regulations and statements of policy, with due 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 below, are more likely to be considered during the early stages of the development of recommendations. It is hoped that, by providing this schedule, commenters will have the ability to address significant regulatory issues in an orderly and focused fashion. Page numbers in the schedule refer to the location of policy statements in the FDIC's looseleaf service known as FDIC Law, Regulations, Related Acts.

Tentative Schedule for Reviewing Regulations and Statements of Policy of the FDIC Under Section 303(a) of CDRI