

DEPARTMENT OF THE TREASURY**Office of the Comptroller of the Currency****12 CFR Part 26**

[Docket No. 95-31]

RIN 1557-AB39

FEDERAL RESERVE BOARD**12 CFR Part 212**

[Docket No. R-0907]

FEDERAL DEPOSIT INSURANCE CORPORATION**12 CFR Part 348**

RIN 3064-AB71

DEPARTMENT OF THE TREASURY**Office of Thrift Supervision****12 CFR Part 563f**

[Docket No. 95-204]

RIN 1150-AA95

Management Official Interlocks

AGENCIES: Office of the Comptroller of the Currency, Treasury; Board of Governors of the Federal Reserve System; Federal Deposit Insurance Corporation; Office of Thrift Supervision, Treasury.

ACTION: Joint notice of proposed rulemaking.

SUMMARY: The Office of the Comptroller of the Currency (OCC), Board of Governors of the Federal Reserve System (Board), Federal Deposit Insurance Corporation (FDIC), and Office of Thrift Supervision (OTS) (collectively, the agencies) propose to revise their rules regarding management interlocks. The proposal conforms the interlocks rules to recent statutory changes, modernizes and clarifies the rules, and reduces unnecessary regulatory burdens where feasible, consistent with statutory requirements.

DATES: Comments must be received by February 27, 1996.

ADDRESSES: Comments should be directed to:

OCC: Office of the Comptroller of the Currency, Communications Division, 250 E Street, SW, Washington, DC 20219, Attention: Docket No. 95-31. Comments will be available for public inspection and photocopying at the same location. In addition, comments may be sent by facsimile transmission to FAX number (202) 874-5274 or by internet mail to REG.COMMENTS@OCC.TREAS.GOV.

Board: William W. Wiles, Secretary, Board of Governors of the Federal Reserve System, Docket No. R-0907, 20th Street and Constitution Avenue, NW, Washington, DC 20551. Comments addressed to Mr. Wiles may also be delivered to the Board's mail room between 8:45 a.m. and 5:15 p.m., and to the security control room outside of those hours. Both the mail room and control room are accessible from the courtyard entrance on 20th Street between Constitution Avenue and C Street, NW. Comments may be inspected in room MP-500 between 9:00 a.m. and 5:00 p.m., except as provided in § 261.8 of the Board's Rules Regarding Availability of Information, 12 CFR 261.8.

FDIC: Jerry L. Langley, Executive Secretary, Attention: Room F-402, Federal Deposit Insurance Corporation, 550 17th Street, NW, Washington, DC 20429. Comments may be delivered to room F-400, 1776 F Street, NW, Washington, DC 20429, on business days between 8:30 a.m. and 5:00 p.m. or sent by facsimile transmission to FAX number 202/898-3838. Internet: COMMENTS@FDIC.GOV. Comments will be available for inspection and photocopying in room 7118, 550 17th Street, NW, Washington, DC 20429, between 8:30 a.m. and 5:00 p.m. on business days.

OTS: Chief, Dissemination Branch, Records Management and Information Policy, Office of Thrift Supervision, 1700 G Street, NW, Washington, DC 20552, Attention Docket No. 95-204. These submissions may be hand delivered to 1700 G Street, NW, from 9:00 A.M. to 5:00 P.M. on business days; they may be sent by facsimile transmission to FAX number (202) 906-7755. Comments over 25 pages in length should be sent to FAX number (202) 906-6956. Comments will be available for inspection at 1700 G Street, NW, from 9:00 A.M. until 4:00 P.M. on business days.

FOR FURTHER INFORMATION CONTACT:

OCC: Sue E. Auerbach, Senior Attorney, Bank Activities and Structure Division (202) 874-5300; Emily R. McNaughton, National Bank Examiner, Credit & Management Policy (202) 874-5170; Jackie Durham, Senior Licensing Policy Analyst (202) 874-5060; or Mark J. Tenhundfeld, Senior Attorney, Legislative and Regulatory Activities (202) 874-5090.

Board: Thomas M. Corsi, Senior Attorney (202/452-3275), or Tina Woo, Attorney (202/452-3890), Legal Division, Board of Governors of the Federal Reserve System. For the hearing impaired only, Telecommunication

Device for Deaf (TTD), Dorothea Thompson (202/452-3544), Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington DC 20551.

FDIC: Curtis Vaughn, Examination Specialist, Division of Supervision, (202) 898-6759; or Mark Mellon, Counsel, Regulation and Legislation Section, Legal Division, (202) 898-3854, Federal Deposit Insurance Corporation, 550 17th Street, NW., Washington, DC 20429.

OTS: David Bristol, Senior Attorney, Business Transactions Division, (202) 906-6461; or Donna Miller, Program Manager, Supervision Policy, (202) 906-7488.

SUPPLEMENTARY INFORMATION:**Background****Section 303 of the Riegle Community Development and Regulatory Improvement Act of 1994 (CDRI Act)**

Section 303(a) of the CDRI Act (12 U.S.C. 4803(a)) requires the OCC, OTS, Board, and FDIC to review their regulations in order to streamline and modify the regulations to improve efficiency, reduce unnecessary costs, and eliminate unwarranted constraints on credit availability. Section 303(a) also requires the agencies to work jointly to make uniform all regulations and guidelines implementing common statutory or supervisory policies. The agencies have reviewed their respective management interlocks regulation with these purposes in mind and, as is explained in greater detail in the text that follows, propose to amend the regulations in ways designed to meet the goals of section 303(a).¹

Summary of Statutory Changes

The CDRI Act amended the Depository Institution Management Interlocks Act (12 U.S.C. 3201-3208) (Interlocks Act) by removing the agencies' broad authority to exempt otherwise impermissible interlocks and replacing it with the authority to exempt interlocks under more narrow circumstances. The CDRI Act also required a depository organization with a "grandfathered" interlock to apply for an extension of the grandfather period if the organization wanted to keep the interlock in place.²

¹ The National Credit Union Administration has participated in the interagency effort to revise the management interlocks regulations and intends to publish a separate Notice of Proposed Rulemaking revising 12 CFR part 711 in the near future.

² The agencies completed their review of requests for extensions by March 23, 1995, as directed by the statute. Therefore, the provision regarding extending the grandfather period is moot for purposes of this regulation.