

to the Management Consignment exemption if the management official will strengthen either a newly chartered institution or an institution that is in an unsafe or unsound condition. Commenters are requested to address this approach.

The proposals set forth two presumptions that the agencies will apply in connection with an application for an exemption under the Management Consignment exemption. First, the agencies will presume that an individual is capable of strengthening the management of an institution that has been chartered for less than two years if the reviewing agency approved the individual to serve as a management official of that institution pursuant to section 914 of FIRREA.⁷ Second, the agencies will presume that an individual is capable of strengthening the management of an institution that is in an unsafe or unsound condition if the reviewing agency approved the individual to serve under section 914 as a management official of that institution at a time when the institution was not in compliance with minimum capital requirements or otherwise was in a "troubled condition."

The agencies believe that presumptions of suitability are less valid when applied to the other Management Consignment exemptions because there is no reason to conclude that a management official approved under section 914 necessarily will improve the flow of credit to low- and moderate-income areas or increase the competitive position of minority- or woman-owned institutions. No presumption regarding effects on competition is proposed, given that this is not a factor to be considered by the agencies when reviewing an application for a Management Consignment exemption.

The agencies seek comment on the utility of the proposed presumptions and on whether additional presumptions should apply as well.

The proposed regulations set forth the limits on the duration of a Management Consignment exemption. The Interlocks Act limits a Management Consignment exemption to two years, with a possible extension for up to an additional two years if the applicant satisfies at least one of the criteria for obtaining a Management Consignment exemption.

The proposed regulations implement this limitation by requiring interested parties to submit an application for an extension at least 30 days before the expiration of the initial term of the exemption and by clarifying that the presumptions that apply to initial applications also apply to extension applications.

Change in Circumstances

The current regulations provide a 15-month grace period for nongrandfathered interlocks that become impermissible due to a change in circumstances. This period may be shortened by the agencies under appropriate circumstances.

The proposed regulations revise the style of this section in the current regulations but not its substance.

The agencies seek comment on the proposed continued availability of a grace period.

Enforcement

The current regulations set forth the jurisdiction of the agencies that enforce the Interlocks Act.

The proposed regulations simplify the style of this section in the current regulations but not its substance.

Small Market Share Exemption

In 1994, the OCC, Board, and FDIC published separate notices of proposed rulemaking seeking comment on a proposed exemption for interlocks involving institutions that, on a combined basis, would control less than 20 percent of the deposits in a community or relevant MSA. These agencies published small market share exemption proposals pursuant to the broad exemptive authority vested in the agencies prior to the enactment of the CDRI Act. However, as previously noted, the CDRI Act amended the agencies' broad rulemaking authority by authorizing the agencies to grant exemptions only in more narrow circumstances. In light of this statutory change, the three agencies believe that it would be inappropriate to adopt the proposed small market share exemption. The FDIC already has withdrawn its proposal regarding the small market share exemption (see 60 FR 7139 (February 7, 1995)). The OCC and Board hereby withdraw their respective proposals.

Paperwork Reduction Act

The OCC, FDIC, and OTS invite comment on:

(1) Whether the proposed collection of information contained in this notice of proposed rulemaking is necessary for the proper performance of each agency's

functions, including whether the information has practical utility;

(2) The accuracy of each agency's estimate of the burden of the proposed information collection;

(3) Ways to enhance the quality, utility, and clarity of the information to be collected; and

(4) Ways to minimize the burden of the information collection on respondents, including through the use of automated collection techniques or other forms of information technology.

Respondents are not required to respond to this collection of information unless it displays a currently valid OMB control number.

OCC: The collection of information requirements contained in this notice of proposed rulemaking have been submitted to the Office of Management and Budget for review in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)). Comments on the collections of information should be sent to the Office of Management and Budget, Paperwork Reduction Project (1557-0196), Washington, DC 20503, with copies to the Legislative and Regulatory Activities Division (1557-0196), Office of the Comptroller of the Currency, 250 E Street, SW, Washington, DC 20219.

The collection of information requirements in this proposed rule are found in 12 CFR 26.4(h)(1)(i), 26.5(a)(1), 26.5(a)(2), 26.6(a), and 26.6(c). This information is required to evidence compliance with the requirements of the Interlocks Act by national banks and District banks. The likely respondents are national banks and District banks.

Estimated average annual burden hours per respondent: 3 hours.

Estimated number of respondents: 100.

Start-up costs to respondents: None.

Board: In accordance with section 3506 of the Paperwork Reduction Act of 1995 (44 U.S.C. Ch. 35; 5 CFR 1320 Appendix A.1), the Board reviewed the proposed rule under the authority delegated to the Board by the Office of Management and Budget. Comments on the collections of information should be sent to the Office of Management and Budget, Paperwork Reduction Project (7100-0046, 7100-0134, 7100-0171, 7100-0266), Washington, DC 20503, with copies of such comments to be sent to Mary M. McLaughlin, Federal Reserve Board Clearance Officer, Division of Research and Statistics, Mail Stop 97, Board of Governors of the Federal Reserve System, Washington, DC 20551.

The collection of information requirements in this proposed rulemaking are found in 12 CFR

⁷This presumption also applies to an individual whose service as a senior executive officer of a national bank is approved pursuant to the standard conditions imposed by the OCC on newly chartered national banks and to individuals whose service as a management official is approved by the FDIC as a condition of a grant of deposit insurance prior to the opening of the depository institution.