

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 placed a high priority 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

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 well-capitalized 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 state 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

FDIC.—TENTATIVE SCHEDULE OF REGULATORY REVIEWS UNDER SECTION 303

Part/page No.	Regulation/statement of policy	Target date
Page No. 5241	Joint Policy Statement on Delayed Availability of Funds	2nd Quarter 1995.
Page No. 5271	Joint Policy Statement on Basic Financial Services	2nd Quarter 1995.
310	Privacy Act Regulations	3rd Quarter 1995.
339	Loans in Areas Having Special Flood Hazards	4th Quarter 1995.
Page No. 5411	Statement of Policy Regarding Treatment of Collateralized Letters of Credit After Appointment of the Federal Deposit Insurance Corporation as Conservator or Receiver.	4th Quarter 1995.
309	Disclosure of Information	4th Quarter 1995.
307	Notification of Changes of Insured Status	4th Quarter 1995.
308	Rules of Practice and Procedure	4th Quarter 1995.
323	Appraisals	4th Quarter 1995.
324	Agricultural Loan Loss Amortization	4th Quarter 1995.
326	Minimum Security Devices and Procedures and Bank Secrecy Act Compliance	4th Quarter 1995.
328	Advertisement of Membership	4th Quarter 1995.
333	Extension of Corporate Powers	4th Quarter 1995.
335	Securities of Nonmember Insured Banks	4th Quarter 1995.
344	Recordkeeping and Confirmation Requirements for Securities Transactions	4th Quarter 1995.
353	Reports of Apparent Crimes Affecting Insured Nonmember Banks	4th Quarter 1995.
363	Annual Independent Audits and Reporting Requirements	4th Quarter 1995.
Page No. 5061	Offering Circular Requirements for Public Issuance of Bank Securities; Statement of Policy Regarding Use of Offering Circulars in Connection with Public Distribution of Bank Securities.	4th Quarter 1995.
Page No. 5073	Federal Financial Institutions Examination Council Policy Statement—Disclosure of Statutory Enforcement Actions.	4th Quarter 1995.
Page No. 5145	FDIC Statement of Policy; Bank Merger Transactions	4th Quarter 1995.
Page No. 5209	Interagency Policy Statement Regarding Advertising of NOW Accounts	4th Quarter 1995.
Page No. 5225	FDIC Statement of Policy on the Applicability of the Glass-Steagall Act to Securities Activities of Subsidiaries of Insured Nonmember Banks.	4th Quarter 1995.
Page No. 5259	Justice Department Policy on Bank Bribery Prosecution	4th Quarter 1995.
Page No. 5277	Guidelines for Monitoring Bank Secrecy Act Compliance	4th Quarter 1995.
Page No. 5289	Guidelines for Compliance with the Federal Bank Bribery Law	4th Quarter 1995.
Page No. 5305	Interagency Policy on Contingency Planning for Financial Institutions	4th Quarter 1995.
Page No. 5317	FFIEC Supervisory Policy on Large-Scale Integrated Financial Software System (LSIS)	4th Quarter 1995.
Page No. 5321	Risks and Controls in End-User Computing	4th Quarter 1995.
Page No. 5325	Interagency Statement on EDP Service Contracts	4th Quarter 1995.
Page No. 5345	FFIEC EDP Interagency Examination, Scheduling and Distribution Policy	4th Quarter 1995.
Page No. 5371	Policy Statement to Address the Problem of the Use of Large-Value Funds Transfers for Money Laundering.	4th Quarter 1995.
Page No. 5395	Statement of Policy on Alternative Dispute Resolution	4th Quarter 1995.
342	Applications for a Stay or Review of Actions of Bank Clearing Agencies	1st Quarter 1996.
Page No. 5235	FDIC Statement of Policy on Assistance to Operating Insured Depository Institutions	1st Quarter 1996.
304	Forms, Instructions, and Reports	1st Quarter 1996.
Page No. 5039	Time Limits for Filing Reports of Condition	1st Quarter 1996.
343	Insured State Nonmember Banks which are Municipal Securities Dealers	1st Quarter 1996.
Page No. 5029	Insured State Nonmember Banks—Statement of Policy and Guidelines for Investments in “Leeway Securities”.	1st Quarter 1996.
311	Rules Governing Public Observation of Meetings of the Corporation’s Board of Directors	1st Quarter 1996.
329	Interest on Deposits	1st Quarter 1996.
348	Management Official Interlocks	1st Quarter 1996.
Page No. 5053	Changes in Control in Insured Nonmember Banks	1st Quarter 1996.
Page No. 5065	Federal Financial Institutions Examination Council on Behalf of its Constituent Agencies—Joint Notice of Policy Statement on Discrimination.	1st Quarter 1996.
Page No. 5113	FDIC Statement of Policy on Qualified Financial Contracts	1st Quarter 1996.
Page No. 5195	Joint Notice of Adoption of Standard Descriptive Terms to be used in Competitive Factor Reports Prepared Pursuant to the Bank Merger Act (12 U.S.C. 1828(c)).	1st Quarter 1996.
Page No. 5275	Guidelines for Implementing a Policy of Capital Forbearance	1st Quarter 1996.
Page No. 5329	Policy Statement on Encouragement and Preservation of Minority Ownership of Financial Institutions.	1st Quarter 1996.
Page No. 5331	FDIC Statement of Policy Regarding the Payment of State and Local Property Taxes	1st Quarter 1996.
Page No. 5335	Statement of Policy Regarding Treatment of Collateralized Put Obligations After Appointment of the Federal Deposit Insurance Corporation as Conservator or Receiver.	1st Quarter 1996.
Page No. 5369	Statement Concerning the Responsibilities of Bank Directors and Officers	1st Quarter 1996.
Page No. 5373	Interagency Policy Statement on Documentation for Loans to Small- and Medium-sized Businesses and Farms.	1st Quarter 1996.
Page No. 5377	Statement of Policy Regarding Treatment of Security Interests After Appointment of the Federal Deposit Insurance Corporation as Conservator or Receiver.	1st Quarter 1996.
Page No. 5381	Statement of Policy on Contracting With Outside Firms	1st Quarter 1996.
Page No. 5387	Interagency Guidance on Accounting for Dispositions of Other Real Estate Owned	1st Quarter 1996.
Page No. 5391	Policy Statement of Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, Federal Deposit Insurance Corporation, and Office of Thrift Supervision Concerning Branch Closing Notices and Policies.	1st Quarter 1996.
12 CFR 337.6	Brokered Deposits	1st Quarter 1996.
5 CFR 3201	Supplemental Standards of Conduct for Employees of the FDIC	2nd Quarter 1996.
341	Registration of Securities Transfer Agents	2nd Quarter 1996.

FDIC.—TENTATIVE SCHEDULE OF REGULATORY REVIEWS UNDER SECTION 303—Continued

Part/page No.	Regulation/statement of policy	Target date
Page No. 5175	National Historic Preservation Act of 1966	2nd Quarter 1996.
Page No. 5043	Improper and Illegal Payments by Banks and Bank Holding Companies	2nd Quarter 1996.
337	Unsafe and Unsound Banking Practices	2nd Quarter 1996.
346	Foreign Banks	2nd Quarter 1996.
347	Foreign Activities of Insured State Nonmember Banks	2nd Quarter 1996.
349	Reports and Public Disclosure of Indebtedness of Executive Officers and Principal Shareholders to a State Nonmember Bank and its Correspondent Banks.	2nd Quarter 1996.
360	Receivership Rules	2nd Quarter 1996.
362	Activities and Investments of Insured State Banks	2nd Quarter 1996.
Page No. 5031	Applications, Legal Fees, and Other Expenses	2nd Quarter 1996.
Page No. 5041	Consent to Service of Persons Convicted of Offenses Involving Dishonesty or a Breach of Trust as Directors, Officers or Employees of Insured Banks.	2nd Quarter 1996.
Page No. 5075	Interagency Coordination of Formal Corrective Action by the Federal Bank Regulatory Agencies	2nd Quarter 1996.
Page No. 5077	Interagency Coordination of Bank Holding Company Inspections and Subsidiary Bank Examinations.	2nd Quarter 1996.
Page No. 5079	Uniform Financial Institutions Rating System	2nd Quarter 1996.
Page No. 5081	Uniform Policy for Classification of Consumer Installment Credit Based on Delinquency Status	2nd Quarter 1996.
Page No. 5105	Applications to Establish a Domestic Branch (includes Remote Service Facilities)	2nd Quarter 1996.
Page No. 5125	Applications to Relocate Main Office or Branch (includes Remote Service Facilities)	2nd Quarter 1996.
Page No. 5155	Applications Under Section 19 of the Federal Deposit Insurance Act	2nd Quarter 1996.
Page No. 5185	National Environmental Policy Act of 1969	2nd Quarter 1996.
Page No. 5201	Interagency Policy Regarding the Assessment of Civil Money Penalties by the Federal Financial Institutions Regulatory Agencies.	2nd Quarter 1996.
Page No. 5217	FDIC Statement of Policy on Retail Repurchase Agreements	2nd Quarter 1996.
Page No. 5237	Statement Regarding Eligibility to Make Application to Become an Insured Bank Under Section 5 of the Federal Deposit Insurance Act.	2nd Quarter 1996.
Page No. 5249	Federal Financial Institutions Examination Council Supervisory Policy—Securities Lending	2nd Quarter 1996.
Page No. 5257	Federal Financial Institutions Examination Council Supervisory Policy—The Sale of U.S. Government Guaranteed Loans and Sale Premiums.	2nd Quarter 1996.
Page No. 5265	Federal Financial Institutions Examination Council Supervisory Policy—Repurchase Agreements of Depository Institutions With Securities Dealers and Others.	2nd Quarter 1996.
Page No. 5299	Statement of Policy Regarding Independent External Auditing Programs of State Nonmember Banks.	2nd Quarter 1996.
Page No. 5349	Applications for Deposit Insurance	2nd Quarter 1996.
Page No. 5057	Development and Review of FDIC Rules and Regulations	3rd Quarter 1996.
Page No. 5035	Gold	3rd Quarter 1996.
5 CFR 3202	Financial Disclosure Requirements for Employees of the FDIC	3rd Quarter 1996.
303	Applications, Requests, Submittals, Delegations of Authority, and Notices Required to be Filed by Statute or Regulation.	3rd Quarter 1996.
325	Capital Maintenance	3rd Quarter 1996.
Page No. 5067	Statement of Policy Concerning Interest Rate Futures Contracts, Forward Contracts and Standby Contracts.	3rd Quarter 1996.
Page No. 5197	Uniform Guideline on Internal Control for Foreign Exchange Activities in Commercial Banks	3rd Quarter 1996.
Page No. 5293	Supervisory Policy Statement on Securities Activities	3rd Quarter 1996.
Page No. 5327	Statement of Policy Regarding Liability of Commonly Controlled Depository Institutions	3rd Quarter 1996.
327	Assessments	4th Quarter 1996.
338	Fair Housing	4th Quarter 1996.
Page No. 5049	Administrative Enforcement of the Truth in Lending Act—Restitution	4th Quarter 1996.
Page No. 5221	Equal Credit Opportunity and Fair Housing Acts Enforcement Policy Statement	4th Quarter 1996.
Page No. 5303	Federal Financial Institutions Examination Council Statement on the Home Mortgage Disclosure Act.	4th Quarter 1996.
Page No. 5337	FFIEC Policy Statement Prescreening by Financial Institutions and the Fair Credit Reporting Act	4th Quarter 1996.
Page No. 5397	Policy Statement on Discrimination in Lending	4th Quarter 1996.
330	Deposit Insurance Coverage	4th Quarter 1996.
350	Disclosure of Financial and Other Information by FDIC-Insured State Nonmember Banks	4th Quarter 1996.
351	International Operations	4th Quarter 1996.
365	Real Estate Lending Standards	4th Quarter 1996.
Page No. 5045	Income Tax Remittance by Banks to Holding Company Affiliates	4th Quarter 1996.
Page No. 5063	Statement of Policy on Supervision of U.S. Branches and Agencies of Foreign Banks	4th Quarter 1996.
Page No. 5213	Uniform Interagency Consumer Compliance Rating System	4th Quarter 1996.
Page No. 5302.01	Statement of Policy Providing Guidance on External Auditing Procedures for State Nonmember Banks.	4th Quarter 1996.
Page No. 5359	Statement of Policy on Foreclosure Consent and Redemption Rights	4th Quarter 1996.
Page No. 5367	Interagency Policy Statement on Coordination and Communication Between External Auditors and Examiners.	4th Quarter 1996.
Page No. 5165	Policy Statement on Community Reinvestment Act	3rd Quarter 1997.
Page No. 5205	Community Reinvestment Act Information Statement	3rd Quarter 1997.
Page No. 5227	Revised Uniform Interagency Community Reinvestment Act Assessment Rating System	3rd Quarter 1997.
Page No. 5309	Statement of the Federal Financial Supervisory Agencies Regarding the Community Reinvestment Act.	3rd Quarter 1997.
Page No. 5339	Federal Financial Institutions Examination Council Community Reinvestment Act Policy Statement on Analyses of Geographic Distribution of Lending.	3rd Quarter 1997.

Dated: November 28, 1995.
Federal Deposit Insurance Corporation.
Jerry L. Langley,
Executive Secretary.
[FR Doc. 95-29541 Filed 12-5-95; 8:45 am]
BILLING CODE 6714-01-M

FEDERAL RESERVE SYSTEM

12 CFR Part 213

[Regulation M; Docket No. R-0892 and
Docket No. R-0893]

Consumer Leasing; Extension of Comment Period

AGENCY: Board of Governors of the
Federal Reserve System.

ACTION: Proposed rule and official staff
interpretation; extension of comment
period.

SUMMARY: On September 20, 1995, the Board published a request for comment on proposed amendments to Regulation M, which implements the Consumer Leasing Act (60 FR 48752). At that time, the Board also proposed revisions to the official staff commentary to Regulation M, which were published in the same issue of the Federal Register (60 FR 48769). The Consumer Leasing Act and Regulation M require lessors to provide uniform cost and other disclosures about consumer lease transactions. The Board's proposal contains several substantive amendments to the regulation and would also simplify and clarify its provisions. In order to obtain additional views on the proposal from individual consumers, the Board has extended the public comment period for 90 days. The comment period for the proposed revisions to the commentary is similarly extended for 90 days.

DATES: Comments must be received by
February 15, 1996.

ADDRESSES: Comments should refer to
Docket No. R-0892 and Docket No. R-
0893, and be mailed to William W.
Wiles, Secretary, Board of Governors of
the Federal Reserve System, 20th Street
and Constitution Avenue NW.,
Washington, DC 20551. Comments also
may be delivered to room B-2222 of the
Eccles Building between 8:45 a.m. and
5:15 p.m. weekdays, or to the guard
station in the Eccles Building courtyard
on 20th Street NW., (between
Constitution Avenue and C Street) any
time. Comments may be inspected in
room MP-500 of the Martin Building
between 9 a.m. and 5 p.m. weekdays,
except as provided in 12 CFR 261.8 of
the Board's rules regarding the
availability of information.

FOR FURTHER INFORMATION CONTACT:
Kyung H. Cho-Miller, Ombra O.
Poindexter, or W. Kurt Schumacher,
Staff Attorneys, Division of Consumer
and Community Affairs, Board of
Governors of the Federal Reserve
System, Washington, DC 20551, at (202)
452-2412 or 452-3667. For users of
Telecommunications Device for the Deaf
(TDD), please contact Dorothea
Thompson at (202) 452-3544.

SUPPLEMENTARY INFORMATION: The
Consumer Leasing Act (CLA), 15 U.S.C.
1667-1667e, was enacted into law in
1976 as an amendment to the Truth in
Lending Act (TILA), 15 U.S.C. 1601 *et*
seq. The Board was given rulewriting
authority, and its Regulation M (12 CFR
part 213) implements the CLA. An
official staff commentary that interprets
the regulation has also been published
(Supplement I-CL-1 to 12 CFR 213).

The CLA generally governs consumer
leases of personal property involving
\$25,000 or less and a term of more than
four months. An automobile lease is the
most common type of consumer lease
covered by the CLA. Like the credit
provisions of the TILA, the CLA
requires lessors to provide uniform cost
and other disclosures in consumer lease
transactions and lease advertising. Prior
to entering into a lease agreement,
lessors must give consumers fifteen to
twenty disclosures, including the
amount of initial charges to be paid, an
identification of leased property, a
payment schedule, the responsibilities
for maintaining the leased property, and
the liability for terminating a lease early.

The Board's Regulatory Planning and
Review Program calls for the periodic
review of Board regulations with four
goals in mind: To clarify and simplify
regulatory language; to determine
whether regulatory amendments are
needed to address technological and
other developments; to reduce undue
regulatory burden on the industry; and
to delete obsolete provisions. On
September 20, 1995, the Board
published proposed revisions to
Regulation M for comment (60 FR
48752). The proposal contains several
substantive revisions to the regulation,
for example: additional disclosure
requirements about early termination
charges, the gross cost of leases, the
residual value, and the estimated lease
charge; a requirement that certain
leasing disclosures be segregated from
other information; and pursuant to a
statutory change, revisions to the
advertising provisions for radio and
television. The proposal also simplifies
the language and format of the
regulation to state the requirements
more clearly.

The Board is extending the comment
period until February 15, 1996, in order
to obtain views on the proposals from
consumers who have experience in
leasing or are interested in leasing, by
inviting certain individuals to
participate in focus groups. The focus
group participants will be asked to
address key elements of the Board's
proposed amendments to Regulation M
and to provide comments on the
proposed consumer leasing forms.

During the extension period, the
Board's staff will undertake its review
and analysis of the comments that have
already been filed. The comment period
is being extended primarily for the
purpose of conducting these focus group
interviews. Other members of the public
may submit comments during this
period, but they are encouraged to
submit them as soon as possible. The
Board does not expect this extension to
delay the implementation of the final
rule. The Board anticipates that
revisions to Regulation M and the
official staff commentary will be
adopted in final form in the second
quarter of 1996.

Board of Governors of the Federal Reserve
System, November 30, 1995.

William W. Wiles,

Secretary of the Board.

[FR Doc. 95-29697 Filed 12-5-95; 8:45 am]

BILLING CODE 6210-01-P

12 CFR Part 230

[Regulation DD; Docket No. R-0904]

Truth in Savings

AGENCY: Board of Governors of the
Federal Reserve System.

ACTION: Proposed rule; official staff
interpretation.

SUMMARY: The Board is publishing for
comment proposed revisions to the
official staff commentary to Regulation
DD (Truth in Savings). The commentary
applies and interprets the requirements
of Regulation DD. The proposed
revisions would clarify regulatory
provisions or provide further guidance
on issues of general interest, such as
when credited interest becomes part of
principal and how leap years affect the
calculation of the annual percentage
yield.

DATES: Comments must be received on
or before February 2, 1996.

ADDRESSES: Comments should refer to
Docket No. R-0904, and may be mailed
to William W. Wiles, Secretary, Board of
Governors of the Federal Reserve
System, 20th Street and Constitution
Avenue, NW., Washington, DC 20551.