



Federal Register

**Tuesday,
May 27, 2003**

Part LIII

Federal Deposit Insurance Corporation

Semiannual Regulatory Agenda

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC)

FEDERAL DEPOSIT INSURANCE CORPORATION

12 CFR Ch. III

Semiannual Agenda of Regulations

AGENCY: Federal Deposit Insurance Corporation.

ACTION: Semiannual regulatory agenda.

SUMMARY: The Federal Deposit Insurance Corporation (FDIC) is hereby publishing items for the spring 2003 Unified Agenda of Federal Regulatory and Deregulatory Actions. The agenda contains information about FDIC's current and projected rulemakings, existing regulations under review, and completed rulemakings.

FOR FURTHER INFORMATION CONTACT: Persons identified under regulations listed in the agenda. Unless otherwise noted, the address for all FDIC staff

identified in the agenda is Federal Deposit Insurance Corporation, 550 17th Street NW., Washington, DC 20429.

SUPPLEMENTARY INFORMATION: Twice each year, the FDIC publishes an agenda of regulations to inform the public of its regulatory actions and to enhance public participation in the rulemaking process. Publication of the agenda is in accordance with the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*). The FDIC amends its regulations under the general rulemaking authority prescribed in section 9 of the Federal Deposit Insurance Act (12 U.S.C. 1819) and under specific authority granted by the Act and other statutes.

A number of the actions identified in this agenda have been developed to implement provisions of the Gramm-Leach-Bliley Act, or to implement other recent statutory mandates. Many of the FDIC's regulatory actions are

coordinated with other Federal regulators, primarily the Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System (FRS), and the Office of Thrift Supervision (OTS). In some cases, the FDIC also coordinates with the National Credit Union Administration (NCUA).

Interested persons may petition the FDIC for the issuance, amendment, or repeal of any regulation by submitting a written petition to the Executive Secretary, Federal Deposit Insurance Corporation, Washington, DC 20429. Petitioners should include complete and concise statements of their interest in the subject matter and reasons why the petitions should be granted.

Federal Deposit Insurance Corporation.

Robert E. Feldman,
Executive Secretary.

Federal Deposit Insurance Corporation—Prerule Stage

| Sequence Number | Title | Regulation Identification Number |
|-----------------|--|----------------------------------|
| 3988 | 12 CFR 327 Assessments—Assessment Base | 3064-AB46 |

Federal Deposit Insurance Corporation—Proposed Rule Stage

| Sequence Number | Title | Regulation Identification Number |
|-----------------|---|----------------------------------|
| 3989 | 12 CFR 334 Fair Credit Reporting Act Regulations | 3064-AC35 |
| 3990 | 12 CFR 342 Brokers and Dealers | 3064-AC42 |
| 3991 | 12 CFR 330 Deposit Insurance Coverage | 3064-AC43 |
| 3992 | 12 CFR 325 Simplified Capital Framework for Noncomplex Financial Institutions | 3064-AC44 |
| 3993 | 12 CFR 330 Deposit Insurance Regulations; Living Trust Accounts | 3064-AC54 |

Federal Deposit Insurance Corporation—Final Rule Stage

| Sequence Number | Title | Regulation Identification Number |
|-----------------|---|----------------------------------|
| 3994 | 12 CFR 342 Qualification Requirements for the Recommendation or Sale of Certain Securities | 3064-AB85 |
| 3995 | 12 CFR 325 Risk-Based Capital Guidelines—Market Risk Measure; Securities Borrowing Transactions | 3064-AC46 |
| 3996 | 12 CFR 303 Filing Procedures; Corporate Powers; International Banking; Management Official Interlocks | 3064-AC55 |
| 3997 | 12 CFR 308 Removal, Suspension, and Debarment of Accountants From Performing Audit Services | 3064-AC57 |

Federal Deposit Insurance Corporation—Long-Term Actions

| Sequence Number | Title | Regulation Identification Number |
|-----------------|---|----------------------------------|
| 3998 | 12 CFR 345 Community Reinvestment Act Regulations (Section 610 Review) | 3064-AC50 |

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Federal Deposit Insurance Corporation—Completed Actions

| Sequence Number | Title | Regulation Identification Number |
|-----------------|--|----------------------------------|
| 3999 | 12 CFR 366 Minimum Standards of Integrity and Fitness for an FDIC Contractor (Completion of a Section 610 Review) | 3064-AC29 |
| 4000 | 12 CFR 303 Filing Procedures and Delegations of Authority | 3064-AC51 |
| 4001 | 12 CFR 303 Insurance of State Banks Chartered as Limited Liability Companies | 3064-AC53 |
| 4002 | 12 CFR 308 Agency Reorganization; Nomenclature Changes | 3064-AC56 |

Federal Deposit Insurance Corporation (FDIC)

Prerule Stage

3988. ASSESSMENTS—ASSESSMENT BASE

Priority: Substantive, Nonsignificant
Legal Authority: 12 USC 1441; 12 USC 1817 to 1819

CFR Citation: 12 CFR 327

Legal Deadline: None

Abstract: In 1994, the FDIC sought comment on a proposal to revise the assessment base used by insured institutions to determine the premium paid for deposit insurance. That initiative did not lead to a proposed

rule. Instead, the FDIC plans to revisit the issue with a new advance notice of proposed rulemaking on alternative options for the deposit component of the assessment base and on options regarding the float deduction and use of average daily deposit balances.

Timetable:

| Action | Date |
|--------------------------|----------------------|
| ANPRM | 10/05/94 59 FR 50710 |
| ANPRM Comment Period End | 02/02/95 |
| Second ANPRM | 08/00/03 |

Regulatory Flexibility Analysis Required: Undetermined

Government Levels Affected: None

Agency Contact: Munsell St. Clair, Senior Policy Analyst, Division of Insurance and Research, Federal Deposit Insurance Corporation, Washington, DC 20429
 Phone: 202 898-8967

RIN: 3064-AB46

Federal Deposit Insurance Corporation (FDIC)

Proposed Rule Stage

3989. FAIR CREDIT REPORTING ACT REGULATIONS

Priority: Substantive, Nonsignificant

Legal Authority: 15 USC 1681s; 12 USC 1819(a)(Tenth)

CFR Citation: 12 CFR 334

Legal Deadline: None

Abstract: Section 506 of the Gramm-Leach-Bliley Act (Act) authorizes the Federal banking agencies to publish Fair Credit Reporting Act regulations to carry out the purposes of the Act. Due to comments received from a joint notice of proposed rulemaking, dated October 20, 2000, it is anticipated that the agencies will issue a new proposed rulemaking for public comment.

Timetable:

| Action | Date |
|-------------------------|----------------------|
| NPRM | 10/20/00 65 FR 63120 |
| NPRM Comment Period End | 12/04/00 |
| Second NPRM | 06/00/03 |

Regulatory Flexibility Analysis Required: No

Government Levels Affected: None

Agency Contact: Robert A. Patrick, Counsel, Legal Division, Federal Deposit Insurance Corporation, Washington, DC 20429
 Phone: 202 898-3757

RIN: 3064-AC35

3990. BROKERS AND DEALERS

Priority: Substantive, Nonsignificant

Legal Authority: 15 USC 78a

CFR Citation: 12 CFR 342

Legal Deadline: Final, Statutory, May 12, 2001.

Abstract: This rulemaking implements section 204 of the Gramm-Leach-Bliley Act (GLBA), which requires the Federal banking agencies to establish recordkeeping requirements for banks relying on any of the broker-dealer exemptions listed in sections 201 and 202 of GLBA.

Timetable:

| Action | Date |
|--------|----------|
| NPRM | 10/00/03 |

Regulatory Flexibility Analysis Required: Undetermined

Government Levels Affected: None

Agency Contact: Michael Phillips, Counsel, Legal Division, Federal Deposit Insurance Corporation, Washington, DC 20429
 Phone: 202 898-3581

Related RIN: Related To 3064-AB85

RIN: 3064-AC42

3991. DEPOSIT INSURANCE COVERAGE

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 1813(l)

CFR Citation: 12 CFR 330

Legal Deadline: None

FDIC

Proposed Rule Stage

Abstract: This rulemaking establishes a uniform and streamlined appeals process for deposit insurance claims.

Timetable:

| Action | Date |
|--------|----------|
| NPRM | 10/00/03 |

Regulatory Flexibility Analysis

Required: Undetermined

Government Levels Affected: None

Agency Contact: Catherine Ribnick, Counsel, Legal Division, Federal Deposit Insurance Corporation, Washington, DC 20429
Phone: 202 736-0117

RIN: 3064-AC43

3992. SIMPLIFIED CAPITAL FRAMEWORK FOR NONCOMPLEX FINANCIAL INSTITUTIONS

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 1815(a)

CFR Citation: 12 CFR 325

Legal Deadline: None

Abstract: This notice, sponsored jointly by the OCC, the FRS, the FDIC and OTS, advises the public that the

agencies are considering developing a regulatory capital framework tailored to the size, structure, complexity, and risk profile of domestic, noncomplex financial institutions. The agencies are seeking comment on possible regulatory capital frameworks that may ease the burden on these financial institutions, such as a simplified risk-based or a modified leverage ratio framework.

Timetable:

| Action | Date |
|-----------------------------|----------------------|
| ANPRM | 11/03/00 65 FR 66193 |
| ANPRM Comment Period End | 02/01/01 |
| NPRM | 11/00/03 |

Regulatory Flexibility Analysis

Required: Undetermined

Government Levels Affected: None

Agency Contact: Michael Phillips, Counsel, Legal Division, Federal Deposit Insurance Corporation, Washington, DC 20429
Phone: 202 898-3581

RIN: 3064-AC44

3993. DEPOSIT INSURANCE REGULATIONS; LIVING TRUST ACCOUNTS

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 1813(l); 12 USC 1813(m); 12 USC 1817(i); 12 USC 1818(q); 12 USC 1819 (Tenth); 12 USC 1820(f); 12 USC 1821(a)

CFR Citation: 12 CFR 330

Legal Deadline: None

Abstract: This rulemaking simplifies the regulations on the insurance coverage of living trust accounts.

Timetable:

| Action | Date |
|--------|----------|
| NPRM | 05/00/03 |

Regulatory Flexibility Analysis

Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Joseph A. DiNuzzo, Counsel, Legal Division, Federal Deposit Insurance Corporation, Washington, DC 20429
Phone: 202 898-7349

RIN: 3064-AC54

Federal Deposit Insurance Corporation (FDIC)

Final Rule Stage

3994. QUALIFICATION REQUIREMENTS FOR THE RECOMMENDATION OR SALE OF CERTAIN SECURITIES

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 1818; 12 USC 1831

CFR Citation: 12 CFR 342

Legal Deadline: Final, Statutory, May 12, 2001, recordkeeping requirement.

Abstract: This proposal, sponsored jointly by the OCC, the FRS, and the FDIC, would establish qualifications for banks that sell certain securities to their customers without having to register as a broker under the Securities Exchange Act. FDIC staff are contemplating a recommendation to rescind this proposal and replace it with a second notice of proposed rulemaking (NPRM) to exempt banks from registering with the NASD/SEC as securities brokers or dealers in the event that they qualify under any of the exemption criteria in

the Gramm-Leach-Bliley Act, sections 201 or 202.

Timetable:

| Action | Date |
|----------------------------|----------------------|
| NPRM | 12/30/96 61 FR 68824 |
| NPRM Comment Period End | 02/28/97 |
| Final Action | 10/00/03 |

Regulatory Flexibility Analysis

Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Michael Phillips, Counsel, Legal Division, Federal Deposit Insurance Corporation, Washington, DC 20429
Phone: 202 898-3581

Related RIN: Related To 3064-AC42

RIN: 3064-AB85

3995. RISK-BASED CAPITAL GUIDELINES—MARKET RISK MEASURE; SECURITIES BORROWING TRANSACTIONS

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 1815(a); 12 USC 1815(b); 12 USC 1816; 12 USC 1818(a) to 1818(c); 12 USC 1818(t); 12 USC 1819 (Tenth); 12 USC 1828(c); 12 USC 1828(d); 12 USC 1828(i); 12 USC 1828(n); 12 USC 1828(o); 12 USC 1831o; PL 102-233; 105 Stat 1761; 105 Stat 1789; 105 Stat 1790; PL 102-242; 105 Stat 2236; 105 Stat 2355; 105 Stat 2386

CFR Citation: 12 CFR 325

Legal Deadline: None

Abstract: This rulemaking sponsored jointly by the OCC, the FRS and the FDIC, amends their market risk rules to revise the capital treatment for cash collateral that is posted in connection with certain securities borrowing transactions. The effect of the rule is to more appropriately align the capital

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Final Rule Stage

requirements for these transactions with the risk involved and to provide a capital treatment for U.S. banking organizations that is more in line with the capital treatment applied to their domestic and foreign competitors.

Timetable:

| Action | Date | |
|---------------------------------------|----------|-------------|
| Interim Final Rule | 12/05/00 | 65 FR 75856 |
| Interim Final Rule Effective | 01/04/01 | |
| Interim Final Rule Comment Period End | 01/19/01 | |
| Final Action | 05/00/03 | |

Regulatory Flexibility Analysis

Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Robert F. Storch, Chief, Accounting Section, Division of Supervision and Consumer Protection, Federal Deposit Insurance Corporation, Washington, DC 20429
Phone: 202 898-8906

RIN: 3064-AC46

3996. FILING PROCEDURES; CORPORATE POWERS; INTERNATIONAL BANKING; MANAGEMENT OFFICIAL INTERLOCKS

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 378; 12 USC 1813; 12 USC 1815; 12 USC 1816; 12 USC 1817; 12 USC 1818; 12 USC 1820; 12 USC 1823; 12 USC 1828; 12 USC 1828a; 12 USC 1831a; 12 USC 1831e; 12 USC 1828m; 12 USC 1831p-1(c); 12

USC 1823(k); 12 USC 1828(k); 12 USC 3207

CFR Citation: 12 CFR 303; 12 CFR 333; 12 CFR 347; 12 CFR 348; 12 CFR 359

Legal Deadline: None

Abstract: This rulemaking amends regulations governing filing procedures, international banking and management official interlocks by making technical corrections and modifications to clarify existing policies and procedures.

Timetable:

| Action | Date | |
|-------------------------|----------|-------------|
| NPRM | 12/27/02 | 67 FR 79271 |
| NPRM Comment Period End | 02/25/03 | |
| Final Action | 05/00/03 | |

Regulatory Flexibility Analysis

Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Mindy West Schwartzstein, Examination Specialist, Division of Supervision and Consumer Protection, Federal Deposit Insurance Corporation, Washington, DC 20429
Phone: 202 898-7221

Related RIN: Related To 3064-AC51

RIN: 3064-AC55

3997. ● REMOVAL, SUSPENSION, AND DEBARMENT OF ACCOUNTANTS FROM PERFORMING AUDIT SERVICES

Priority: Substantive, Nonsignificant

Legal Authority: 5 USC 504; 5 USC 554 to 557; 12 USC 93(b); 12 USC 164; 12

USC 505; 12 USC 1815(e); 12 USC 1817; 12 USC 1818; 12 USC 1820; 12 USC 1828; 12 USC 1829; 12 USC 1829b; 12 USC 1831i; 12 USC 1831m(g)(4); 12 USC 1831o; 12 USC 1831p-1; 12 USC 1832(c); 12 USC 1884(b); 15 USC 78(h); 15 USC 78(i); 31 USC 330; 31 USC 5321; 42 USC 4012a; PL 104-134

CFR Citation: 12 CFR 308

Legal Deadline: None

Abstract: This rulemaking, sponsored jointly by the OCC, the FRS, OTS, and the FDIC, revises the agencies' rules to establish rules of practice and procedure for the removal, suspension, and debarment of accountants and their firms from performing section 36 of the Federal Deposit Insurance Act audit services for insured depository institutions.

Timetable:

| Action | Date | |
|-------------------------|----------|------------|
| NPRM | 01/08/03 | 68 FR 1115 |
| NPRM Comment Period End | 03/10/03 | |
| Final Action | 06/00/03 | |

Regulatory Flexibility Analysis

Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Richard Bogue, Counsel, Enforcement Unit, Legal Division, Federal Deposit Insurance Corporation, Washington, DC 20429
Phone: 202 898-3726

RIN: 3064-AC57

Federal Deposit Insurance Corporation (FDIC)

Long-Term Actions

3998. COMMUNITY REINVESTMENT ACT REGULATIONS (SECTION 610 REVIEW)

Priority: Substantive, Nonsignificant

CFR Citation: 12 CFR 345

Timetable:

| Action | Date | |
|--------------------------|------------------|-------------|
| ANPRM | 07/19/01 | 66 FR 37602 |
| ANPRM Comment Period End | 10/17/01 | |
| NPRM | To Be Determined | |

Regulatory Flexibility Analysis

Required: Undetermined

Government Levels Affected: None

Agency Contact: Tim Burniston
Phone: 202 898-6670

RIN: 3064-AC50

Federal Deposit Insurance Corporation (FDIC)

Completed Actions

3999. MINIMUM STANDARDS OF INTEGRITY AND FITNESS FOR AN FDIC CONTRACTOR (COMPLETION OF A SECTION 610 REVIEW)**Priority:** Substantive, Nonsignificant**Legal Authority:** 12 USC 1819 (Tenth); 12 USC 1822(f)(3); 12 USC 1822(f)(4); 107 Stat 2369**CFR Citation:** 12 CFR 366**Legal Deadline:** None**Abstract:** This rulemaking replaces the Contractor Conflicts of Interest rule and establishes standards for independent contractors governing contracting prohibitions, conflicts of interest, ethical responsibilities, confidential information, and reportable information.**Timetable:**

| Action | Date | |
|---------------------------------------|----------|-------------|
| Interim Final Rule | 05/15/02 | 67 FR 34591 |
| Interim Final Rule Effective | 05/15/02 | |
| Interim Final Rule Comment Period End | 07/15/02 | |
| Final Action | 11/20/02 | 67 FR 69990 |
| Final Action Effective | 12/20/02 | |

Regulatory Flexibility Analysis**Required:** No**Government Levels Affected:** None**Agency Contact:** Martin Blumenthal, Counsel, Legal Division, Federal Deposit Insurance Corporation, Washington, DC 20429
Phone: 202 736-0359**RIN:** 3064-AC29**4000. FILING PROCEDURES AND DELEGATIONS OF AUTHORITY****Priority:** Substantive, Nonsignificant**Legal Authority:** 12 USC 378**CFR Citation:** 12 CFR 303**Legal Deadline:** None**Abstract:** This rulemaking revises part 303 to reflect the corporate reorganization, removes all delegations of authorities regarding filings and

enforcement actions, and makes technical amendments.

Timetable:

| Action | Date | |
|------------------------|----------|-------------|
| Final Action | 12/27/02 | 67 FR 79246 |
| Final Action Effective | 12/27/02 | |

Regulatory Flexibility Analysis**Required:** No**Government Levels Affected:** None**Agency Contact:** Mindy West Schwartzstein, Examination Specialist, Division of Supervision and Consumer Protection, Federal Deposit Insurance Corporation, Washington, DC 20429
Phone: 202 898-7221**RIN:** 3064-AC51**4001. INSURANCE OF STATE BANKS CHARTERED AS LIMITED LIABILITY COMPANIES****Priority:** Substantive, Nonsignificant**Legal Authority:** 12 USC 378; 12 USC 1813; 12 USC 1815; 12 USC 1816; 12 USC 1817; 12 USC 1818; 12 USC 1819 (Seventh and Tenth); 12 USC 1820; 12 USC 1823; 12 USC 1828; 12 USC 1831e; 12 USC 1831o; 12 USC 1831p-1; 12 USC 1831w; 12 USC 1835a; 12 USC 1843(l); 12 USC 3104; 12 USC 3105; 12 USC 3108; 12 USC 3207; 15 USC 1601 to 1607**CFR Citation:** 12 CFR 303**Legal Deadline:** None**Abstract:** This rulemaking clarifies that a State bank that is chartered as a limited liability company would be considered to be incorporated for the purposes of being eligible for Federal deposit insurance under certain circumstances.**Timetable:**

| Action | Date | |
|-------------------------|----------|-------------|
| NPRM | 07/23/02 | 67 FR 48054 |
| NPRM Comment Period End | 10/21/02 | |
| Final Action | 02/13/03 | 68 FR 7301 |
| Final Action Effective | 03/17/03 | |

Regulatory Flexibility Analysis**Required:** No**Small Entities Affected:** No**Government Levels Affected:** None**Agency Contact:** Mindy West Schwartzstein, Examination Specialist, Division of Supervision and Consumer Protection, Federal Deposit Insurance Corporation, Washington, DC 20429
Phone: 202 898-7221**RIN:** 3064-AC53**4002. • AGENCY REORGANIZATION; NOMENCLATURE CHANGES****Priority:** Substantive, Nonsignificant**Legal Authority:** 5 USC 7301; 12 USC 1819(a); 12 USC 1822; 26 USC 1043; 5 USC 504; 12 USC 93(b); 12 USC 375a(4); 12 USC 1818(a); 12 USC 1818(b)**CFR Citation:** 12 CFR 308; 12 CFR 309; 12 CFR 310; 12 CFR 311; 12 CFR 337**Legal Deadline:** None**Abstract:** This rulemaking addresses nomenclature changes affected by an internal reorganization order dated June 30, 2002. The rule also makes appropriate conforming changes in several of the FDIC's regulations in title 12 and, with the concurrence of the Office of Government Ethics, in the FDIC's supplemental standards of ethical conduct regulation in title 5.**Timetable:**

| Action | Date | |
|------------------------|----------|-------------|
| Final Action | 11/29/02 | 67 FR 71069 |
| Final Action Effective | 11/29/02 | |

Regulatory Flexibility Analysis**Required:** No**Small Entities Affected:** No**Government Levels Affected:** None**Agency Contact:** Frederick L. Fisch, Senior Attorney, FOIA/PA Group, Legal Division, Federal Deposit Insurance Corporation, Washington, DC 20429
Phone: 202 736-0526**RIN:** 3064-AC56

[FR Doc. 03-7439 Filed 05/16/03; 8:45 am]

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