

Proposed Rules

Federal Register

Vol. 62, No. 93

Wednesday, May 14, 1997

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 Part 307

RIN 3064-AB88

Notification of Changes of Insured Status

AGENCY: Federal Deposit Insurance Corporation (FDIC).

ACTION: Proposed rule.

SUMMARY: The FDIC is proposing to revise its regulation addressing notification of changes of insured status to clarify that an assuming insured depository institution must provide the FDIC with a certification of any partial or total assumption of deposits from another insured depository institution. This certification would not be required, however, when deposits are transferred and assumed by an operating insured depository institution from an insured depository institution in default in an FDIC-administered receivership. Forms are being provided to assist the industry with compliance with the certification and depositor notice requirements.

DATES: Written comments on the proposal must be received by the FDIC on or before July 14, 1997.

ADDRESSES: Send written comments to the Office of the Executive Secretary, Federal Deposit Insurance Corporation, 550 17th Street, NW., Washington, DC 20429. Comments may be hand-delivered to Room F-400, 1776 F Street, NW., 20429, on business days between 8:30 a.m. and 4:30 p.m.; sent by facsimile: (202) 898-3838; or by Internet: Comments@fdic.gov. Comments may be inspected and photocopied in the FDIC Public Information Center, Room 100, 801 17th Street, NW., Washington, DC 20429, between 9:00 a.m. and 4:30 p.m. on business days.

FOR FURTHER INFORMATION CONTACT: William P. McNamara, Examination Specialist, Division of Supervision, (202) 898-6778; Rodney D. Ray, Counsel, Legal Division, (202) 898-

3556, Federal Deposit Insurance Corporation, 550 17th Street, NW., Washington, DC 20429.

SUPPLEMENTARY INFORMATION: As required by section 303(a) of the Riegle Community Development and Regulatory Improvement Act of 1994 (CDRIA) (12 U.S.C. 4803), the FDIC has reviewed part 307 of the Code of Federal Regulations and determined that the sections contained therein are still beneficial to the public and needed by the FDIC. It is proposed that the sections be revised to clarify their scope and applicability, eliminate unnecessary compliance requirements, and assist the industry with compliance.

Background

Part 307 was originally promulgated in 1950 and was last revised on May 31, 1983, prior to the enactment of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA). Public Law 101-73, 103 Stat. 183 (1989).

Section 307.1 implements section 8(q) of the Federal Deposit Insurance Act (FDI Act) (12 U.S.C. 1818(q)), as amended.¹ The regulation requires an insured bank or insured branch of a foreign bank which assumes deposits (assuming institution) of another insured bank or insured branch of a foreign bank (transferring institution) to provide the FDIC with a certification that it has assumed deposits of the transferring institution. The assuming institution is required to make the certification to the FDIC within 30 days after the date of the assumption, and state the date the assumption took effect. The certification is intended to satisfy section 8(q)'s "satisfactory

¹ Section 8(q) reads as follows:

Whenever the liabilities of an insured depository institution for deposits shall have been assumed by another insured depository institution or depository institutions, whether by way of merger, consolidation, or other statutory assumption, or pursuant to contract (1) the insured status of the depository institution whose liabilities are so assumed shall terminate on the date of receipt by the Corporation of satisfactory evidence of such assumption; (2) the separate insurance of all deposits so assumed shall terminate at the end of six months from the date such assumption takes effect or, in the case of any time deposit, the earliest maturity date after the six-month period. Where the deposits of an insured depository institution are assumed by a newly insured depository institution, the depository institution whose deposits are assumed shall not be required to pay any assessment with respect to the deposits which have been so assumed after the semiannual period in which the assumption takes place.

evidence of such assumption" requirement, which is a condition that must be met before the transferring institution's insured status can be terminated pursuant to section 8(q)(1) of the FDI Act (12 U.S.C. 1818(q)(1)). The certification also provides the FDIC with notice of when the assumption takes effect for purposes of determining the continuation of separate deposit insurance coverage on the assumed deposits. See 12 CFR 330.3(g)(2).

Section 307.2, which implements section 8(a)(6) of the FDI Act (12 U.S.C. 1818(a)(6)),² requires an insured bank or insured branch of a foreign bank (insured institution) seeking to voluntarily terminate its insured status, but whose deposits will not be assumed, to provide notice to its depositors (depositor notice) of the date its insured status will terminate. The regulation further authorizes the FDIC, through the appropriate FDIC Regional Director of the Division of Supervision, to prescribe the form, manner and timing of the depositor notice, as well as such other conditions as may be deemed necessary for the protection of the institution's depositors.

In response to a Notice of Opportunity for Comment, published on December 6, 1995, at 60 FR 62345, as part of the CDRIA review process, an industry group suggested that § 307.1 be eliminated because the industry group believed the FDIC could obtain the specified information from regulatory approvals required for assumptions of deposit liabilities by merger, consolidation, assumption or contract. The industry group noted that the FDIC received antitrust notices and that each governmental agency published administrative approvals in the newspapers.

After investigating the commentator's suggestion, FDIC staff has recommended that § 307.1 be retained. While it is possible to obtain some of the information required by the regulation from other agencies, bank merger applications, and newspaper notices,

² Section 8(a)(6) reads as follows:

PUBLICATION OF NOTICE OF TERMINATION.—The Corporation may publish notice of such termination and the depository institution shall give notice of such termination to each of its depositors at his last known address of record on the books of the depository institution, in such manner and at such time as the Board of Directors may find to be necessary and may order for the protection of depositors.

this method of data collection would not provide the FDIC or the industry with sufficient certainty of receiving the data or a clear standard for judging when the FDIC had received the "satisfactory evidence of such assumption", required by section 8(q)(1), to terminate the transferring institution's insured status. The FDIC's preliminary view is that the inefficiency and additional costs associated with collecting the statutorily required information through these means outweighs any benefit which would be realized by eliminating the FDIC certification requirement. Finally, from a practical standpoint, timely and accurate submissions of the required information are needed to maintain the accuracy of the FDIC's structure database, which is utilized to calculate, collect, and process deposit insurance assessments.

The FDIC is, however, proposing to revise § 307.1 to define its scope and applicability more precisely. Additionally, consistent with the theme of the industry group's suggestion, the FDIC has determined that it can obtain timely, accurate, and easily verifiable information from records in the FDIC's possession regarding deposit liabilities assumed when those liabilities are transferred and assumed by an operating insured depository institution from an insured depository institution in default, as defined by section 3(x)(1) of the FDI Act (12 U.S.C. 1813(x)(1)), in an FDIC-administered receivership, and the regulation would be revised accordingly.

No comments were received regarding § 307.2. Nonetheless, that section was reviewed and it is proposed that the section be retained because it assists the FDIC in ensuring that the interests of depositors are safeguarded when an insured depository institution seeks to voluntarily terminate its insured status without the assumption of its deposit liabilities by another insured depository institution. See *e.g.* 12 U.S.C. 1818(a)(6) (requiring notification of depositors when insured status is voluntarily or involuntarily terminated)³ and 1828(i)(4)(E) (requiring the FDIC to consider the convenience and needs of

the community to be served in approving the conversion of an insured depository institution into a non-insured institution).

Proposed Revisions

The existing sections in part 307 would be redesignated §§ 307.2 and 307.3, respectively. A new § 307.1 also would be added.

The proposed revisions to the regulations and reasons supporting them are as follows:

A. Institutions Covered

Proposed § 307.1 is new. It would be added to indicate that the part applies to insured depository institutions, as defined in section 3(c)(2) of the FDI Act.⁴ Part 307, however, would not apply to assumptions of insured deposits by uninsured depository institutions; assumptions of uninsured deposits by insured depository institutions; or assumptions of uninsured deposits by uninsured depository institutions.

As revised, any insured depository institution assuming deposits from another insured depository institution, other than those excluded from coverage by proposed § 307.2(b), would be required to provide the certification. Section 307.3 would apply to insured depository institutions seeking to voluntarily terminate their insured status without the assumption of their deposit liabilities by another insured depository institution.

B. Transitions Covered

Proposed § 307.2 would apply to partial and complete transfers of deposits from transferring to assuming institutions.

As presently written, § 307.1 does not distinguish between transactions involving partial deposit assumptions where a transferring institution intends to continue in the business of receiving deposits after the partial assumption takes effect, and total deposit assumptions, where the transferring institution intends to cease receiving

deposits after the assumption takes effect. In the past, the FDIC has viewed § 307.1 as being applicable in both instances.

The FDIC has taken the view that an order must be entered by the FDIC before the transferring institution's insured status is terminated.⁵ 12 U.S.C. 1818(q), 12 U.S.C. 1828(i)(3), (4). This reading avoids terminating the insured status of the transferring institution when only a portion of that institution's deposits are assumed and the transferring institution intends to continue in the business of receiving deposits after the partial assumption takes effect. This continues to be the FDIC's interpretation of the termination of insured status provision contained in section 8(q)(1).

To avoid confusion on this issue, § 307.2 (e) and (f) would be added to the regulation. New § 307.2(e) addresses the deposit insurance coverage of the assumed deposits. It would be applicable to partial and total assumptions of deposits from transferring institutions and would utilize the assumption date specified in the certification to determine when the separate deposit insurance coverage on the assumed deposits terminates pursuant to section 8(q)(2).⁶ See also 12 CFR 330.3(g).

Section 307.2(f) would address the insured status of the transferring institution. It would be applicable to total deposit assumptions where the transferring institution intends to cease receiving deposits after the assumption takes effect. Under new § 307.2(f), when the FDIC receives the certification and a total assumption has taken place (other than in instances where the FDIC has been appointed receiver for an insured depository institution in default), the FDIC will issue an order terminating the transferring institution's insured status pursuant to applicable

⁵ Orders are not issued by the Board of Directors in instances where deposits are transferred and assumed upon the default of an insured depository institution because the insured status of the institution terminates automatically after default.

⁶ Under the regulation, FDIC's receipt of the certification constitutes satisfactory evidence of the assumption, for purposes of section 8(q). In appropriate circumstances, however, such as an assuming institution's failure to provide the certification in the manner specified, the regulation specifies that the FDIC also may consider other evidence of such deposit assumption for purposes of section 8(q).

³ While part 307 addresses depositor notifications when an institution seeks to voluntarily terminate its insured status, part 308 addresses depositor notifications for involuntary terminations which are effected through enforcement proceedings.

⁴ An "insured depository institution" is defined in section 3(c)(2) (12 U.S.C. 1813(c)(2)) as "any bank or savings association the deposits of which are insured by the Corporation pursuant to this [the FDI] Act". Federal branches and insured branches are included in the definition of "bank" in section 3(a)(1)(A) (12 U.S.C. 1813(A)(1)(a)). Accordingly, insured branches would be subject to the proposed regulation.

provisions of the FDI Act, including section 8(q)(1).

C. FDIC Appointed Receiver for Insured Depository Institution in Default

Current § 307.1 does not distinguish between deposit assumptions where the transferring institution has been placed in receivership and deposit assumptions between operating institutions. Since the FDIC plays an integral role in the transfer and assumption of deposit liabilities by operating institutions when it is appointed as receiver for an insured depository institution in default, this situation may represent an instance where, consistent with the previously mentioned industry group suggestion, the FDIC has access to readily verifiable information regarding the deposit transfer and assumption transaction which makes compliance with the regulation unnecessary. Therefore, § 307.2(b) would be added to confirm that compliance with the certification requirement is not necessary when the deposit liabilities being transferred and assumed by an operating insured depository institution from an insured depository institution in default and the FDIC has been appointed as receiver for the institution.

D. Required Certification and Depositor Notice Letters

Section 307.1 requires the assuming institution to certify that it has assumed deposit liabilities from the transferring institution within 30 days after the assumption takes effect. The regulation, however, is silent regarding the form of the certification. In the past, the FDIC has considered this requirement satisfied by a short letter from the assuming institution containing the required information. Therefore, to assist the industry with compliance and eliminate ambiguity, § 307.2(C) would be added to require that the certification, which *may* follow the format provided in appendix A, be provided by the assuming institution on its letterhead.

Section 307.2 also requires that the FDIC approve the form of any proposed depositor notices when an insured depository institution intends to voluntarily terminate its insured status without having its deposits assumed by another institution. Although the FDIC may require additional or substitute information to be contained in the depositor notice if warranted under the circumstances, the suggested depositor notice provided in appendix B is being provided to assist the industry with compliance. A copy of this notice must be provided to and approved by the appropriate Regional Director of the

Division of Supervision prior to the notice being distributed to the institution's depositors.

Paperwork Reduction Act

The collections of information contained in this proposed rule have been submitted to the Office of Management and Budget (OMB) for review and approval in accordance with the requirements of the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3501 et seq.). Comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the FDIC's functions, including whether the information has practical utility; (b) the accuracy of the estimates of the burden of the information collection, including the validity of the methodology and assumptions used; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) 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.

Comments should be addressed to the Office of Information and Regulatory Affairs, OMB, Attention: Desk Officer Alexander Hunt, New Executive Office Building, Room 3208, Washington, DC 20503, with copies of such documents sent to Steven F. Hanft, Assistant Executive Secretary (Regulatory Analysis), FDIC, Room F-400, 550 17th Street, NW, Washington, DC 20429. All comments should refer to "Part 307—Certification and Depositor Notification." OMB is required to make a decision concerning the collection of information contained in these proposed regulations between 30 and 60 days after publication of this document in the **Federal Register**. Therefore, a comment to OMB is best assured of having its full effect if OMB receives it within 30 days of publication. This does not affect the deadline for the public to comment to the FDIC on the proposed regulation. Appendix A to this **Federal Register** notice provides an example of a format that will satisfy the collection of information requirement contained in § 307.2. Appendix B provides an example of a format that will satisfy the collection of information requirement contained in § 307.3.

The revisions to the collection of information in this proposed rule are found in §§ 307.2 and 307.3. Section 307.2 would require insured depository institutions assuming deposits from other insured depository institutions to provide the required certification whenever a partial or complete assumption of deposits occurs. The

certification would be required to determine the date upon which the separate deposit insurance coverage on the assumed deposit liabilities terminates, as provided in section 8(q)(2) of the FDI Act. The certification also would be utilized when a complete assumption of deposit liabilities occurs to terminate the insured status of the transferring institution, pursuant to section 8(q)(1) of the FDI Act. Section 307.3 would require an insured depository institution seeking to voluntarily terminate its insured status without the assumption of its deposits by another insured depository institution to provide the FDIC with a copy of the depositor notification letter required by section 8(a)(6) of the FDI Act for review prior to the letter being sent to the institution's depositors.

The estimated average burden associated with all collections of information in this proposed regulation is approximately 0.25 hours per respondent. Additional information regarding the collections of information and total estimated reporting burden in the proposed regulation is summarized below:

Title: Part 307—Certification and Depositor Notification.

Frequency of Response: Occasional.

Affected Public: The certification required by § 307.2 would affect all insured depository institutions assuming deposit liabilities from other insured depository institutions. The depositor notification required by § 307.3 would affect all insured depository institutions seeking to voluntarily terminate their insured status without having their deposit liabilities assumed by another insured depository institution.

Estimated Number of Respondents: 942 for § 307.2 certification and 1 for § 307.3 notice.

Estimated Time per Response: 0.25 for section 307.2 certification and 1 hour for § 307.3 notice.

Estimated Total Annual Burden: 236.50 hours.

Regulatory Flexibility Act

Pursuant to subsections (b) and (c) of section 603 of the Regulatory Flexibility Act, the FDIC provides the following initial regulatory flexibility analysis:

Reasons Why Agency Action is Being Considered: Insured depository institutions would be required to provide the FDIC with a certification, pursuant to § 307.2, when they partially or completely assume deposit liabilities from another insured depository institution. The certification is necessary to implement the provisions of section 8(q) of the FDI Act, regarding

termination of the insured status of the transferring institution and termination of the separate deposit insurance coverage provided on deposit accounts assumed by the assuming institution.

Insured depository institutions seeking to voluntarily terminate their insured status also would be required to provide the FDIC with a copy of any proposed depositor notification before the notification is provided to the institution's depositors. The depositor notification is required by section 8(a)(6) of the FDI Act. The requirement for pre-review of the proposed depositor notification letter by the FDIC establishes a procedure to assure that the institution's depositors receive information which the appropriate Regional Director of the Division of Supervision deems appropriate regarding the institution's intent to terminate its insured status. The requirement for pre-review of the proposed depositor notification letter by the FDIC also is intended to ensure that, prior to the termination of the institution's insured status, depositors receive appropriate information concerning federal deposit insurance coverage of their accounts once the institution's insured status is terminated.

Statement of Objectives of and Legal Basis for Proposed Rule: The proposed rule implements the statutory requirements imposed by section 8(q) of the FDI Act for assumptions of deposits from insured depository institutions. The proposed rule also implements the statutory depositor notification requirement imposed by section 8(a)(6) of the FDI Act when an insured depository institution seeks to voluntarily terminate its insured status without the assumption of its deposit liabilities by another insured depository institution.

Description of and Estimate of the Number of Small Entities to Which Proposed Rule Would Apply: The proposed rule would apply to all insured depository institutions assuming deposit liabilities from another insured depository institution. It also would apply to insured depository institutions seeking to voluntarily terminate their insured status without having their deposit liabilities assumed by another insured depository institution. Based upon information supplied to the FDIC by insured depository institutions or other federal banking regulators, approximately 105 insured depository institutions which were classified as

small entities, for purposes of the RFA,⁷ engaged in transactions during the 1996 calendar year which would be covered by the proposed regulation. The FDIC has no reason to believe that the number of small entities covered by the proposed regulation will vary significantly in the future.

Projected Reporting, Recordkeeping, and Other Compliance Requirements of the Proposed Rule: Small entities engaging in transactions governed by the proposed regulation should be maintaining information regarding depositor accounts and deposit assumptions as part of their normal banking operations. The number of deposit assumption certifications required by § 307.2 will depend upon the number of deposit assumption transactions engaged in by an assuming insured depository institution. The FDIC anticipates that the depositor notification process established by § 307.3 will only occur once because depositor notification is required prior to the voluntary termination of an insured depository institution's insured status with the FDIC. The FDIC estimates that small entities will be able to comply with the requirements imposed by the regulation by utilizing their existing senior management and clerical support.

Identification of Federal Rules Which may Duplicate, Overlap or Conflict With the Proposed Rule: Some information concerning deposit liabilities assumed or proposed to be assumed by merger, consolidation, other statutory assumption, or contract is required to be filed with the FDIC, pursuant to part 327 and § 303.3 of the FDIC's rules and regulations (12 CFR part 327 and 12 CFR 303.3, respectively). Information filed with the FDIC pursuant to § 303.3, however, is in the form of an application which is subject to modification and information filed pursuant to part 327, does not specify the institution whose deposits were assumed or when the assumption took effect. Therefore, while there is some overlapping of general information being submitted, the information contained in the certification required by proposed § 307.2 provides the FDIC with more specific and timely data needed to comply with the requirements of section 8(q) of the FDI Act. Additionally, the regulation provides

⁷The RFA defines the term "small entity", in 5 U.S.C. 601, by reference to definitions published by the Small Business Administration. The Small Business Administration has defined a "small entity", for banking purposes, as a national or commercial bank, savings institution or credit union with less than \$100 million in assets. See 13 CFR 121.201.

the FDIC and industry with a clear standard for judging when an insured depository institution's insured status should be terminated.

Discussion of Significant Alternatives to Proposed Rule: The proposed regulation imposes minimal reporting burdens upon insured depository institution. As discussed in the preamble to the regulation, the FDIC considered obtaining the information from other sources but determined that those methods of data collection would not provide the FDIC with sufficient certainty of receiving the data required by section 8(q). Additionally, absent the regulation, the FDIC and industry would have no clear standard for judging when an insured depository institution's insured status should be terminated. To reduce regulatory burden, however, the FDIC is excluding deposit assumptions from FDIC-administered receiverships from the coverage of § 307.2. The FDIC also is providing recommended certification and depositor notification forms as guidelines for the industry.

List of Subjects in 12 CFR Part 307

Bank deposit insurance, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, the Board of Directors proposes to revise part 307 of chapter III of the Code of Federal Regulations to read as follows:

PART 307—NOTIFICATION OF CHANGES OF INSURED STATUS

Sec.

307.1 Scope and purpose.

307.2 Certification of assumption of deposit liabilities.

307.3 Notice to depositors when insured status is voluntarily terminated and deposits are not assumed.

Appendix A to Part 307—Certification of Change in Insured Status.

Appendix B to Part 307—Notice to Depositor of Voluntary Termination of Insured Status.

Authority: 12 U.S.C. 1818(a)(6), 1818(q), and 1819(a) [Tenth].

§ 307.1 Scope and purpose.

(a) *Scope.* This part applies to all insured depository institutions, as defined in section 3(c)(2) of the Federal Deposit Insurance Act (FDI Act) (12 U.S.C. 1813(c)(2)).

(b) *Purpose.* This part sets forth the rules governing:

- (1) The time and manner of providing the FDIC with a certification regarding the assumption of any deposit liabilities of an insured depository institution by any insured depository institution; and
- (2) The notification which should be provided to depositors when an insured

depository institution voluntarily terminates its insured status and its deposits are not assumed by another insured depository institution.

§ 307.2 Certification of assumption of deposit liabilities.

(a) *Certification required.* Whenever any of the deposit liabilities of an insured depository institution are assumed (whether by merger, consolidation, other statutory assumption, or by contract) by another insured depository institution, the assuming insured depository institution shall provide a written certification to the FDIC that it has assumed deposit liabilities from the transferring insured depository institution. The certification shall be provided to the FDIC within 30 calendar days after the assumption takes effect and shall state the date the assumption took effect.

(b) *Exception.* The certification required by paragraph (a) of this section shall not be required when deposit liabilities are transferred and assumed by an operating insured depository institution from an insured depository institution in default, as defined in section 3(x)(1) of the FDI Act (12 U.S.C. 1813(x)(1)), that has been placed in an FDIC-administered receivership.

(c) *Form of certification.* The certification required by paragraph (a) of this section shall be provided on the letterhead of the assuming insured depository institution, be signed by a duly authorized official of the institution, and may follow the format of the certification contained in appendix A to this part.

(d) *Filing.* The certification required by paragraph (a) of this section shall be provided to the appropriate FDIC Regional Director of the Division of Supervision, as determined by reference to 12 CFR part 303, for the assuming insured depository institution.

(e) *Evidence of assumption.* The receipt by the FDIC of the certification required by paragraph (a) of this section shall constitute satisfactory evidence of such deposit assumption, as required by section 8(q) of the FDI Act (12 U.S.C. 1818(q)), and the separate deposit insurance on the deposits so assumed shall terminate in the manner specified in section 8(q)(2) of the FDI Act (12 U.S.C. 1818(q)(2)). In appropriate circumstances, the FDIC, in its sole discretion, may also consider other evidence of such deposit assumption to be satisfactory for purposes of section 8(q).

(f) *Issuance of an order.* Except where the FDIC has been appointed as receiver for an insured depository institution in default, the FDIC shall issue an order

terminating the insured status of the transferring insured depository institution, pursuant to section 8(q)(1) of the FDI Act (12 U.S.C. 1818(q)(1)), in the event that all of the transferring institution's deposits are assumed by one or more insured depository institutions.

§ 307.3 Notice to depositors when insured status is voluntarily terminated and deposits are not assumed.

(a) *Notice required.* Any insured depository institution seeking to voluntarily terminate its insured status, but whose deposit liabilities will not be assumed by another insured depository institution, shall provide prior written notification to each of its depositors, at the depositor's last address of record on the books of the institution, of the date of the termination of its insured status under the FDI Act.

(b) *Prior approval of notice.* Prior to distributing the notice to depositors required by paragraph (a) of this section, a copy of the proposed notice shall be provided to the appropriate FDIC regional director of the Division of Supervision, as determined by reference to 12 CFR part 303, for approval. After being approved for distribution, the notice shall be provided to depositors in the time and manner specified by the appropriate regional director.

(c) *Form of notice.* The notice to depositors required by paragraph (a) of this section shall be provided on the letterhead of the insured depository institution and, unless otherwise specified by the appropriate Regional Director of the Division of Supervision, may follow the format of the notice contained in appendix B to this part.

(d) *Obligations.* The FDIC may require the insured depository institution to take such other actions as the FDIC considers appropriate for the protection of depositors.

Appendix A to Part 307—Certification of Change in Insured Status

(Date)

(Name and Address of Regional Director)

SUBJECT: *Certification of Change In Insured Status*

This certification is being provided pursuant to 12 U.S.C. 1818(q) and 12 CFR 307.2(a). On (state the date the deposit assumption took effect), (state the name of the depository institution assuming the deposit liabilities) assumed (if a partial assumption, state the amount) (if all deposits were assumed, state "all") of the deposits of (state the name of the insured depository institution whose deposits were assumed). Please contact the undersigned if additional information is needed.

(Name of Assuming Institution)

By: _____

(Name and Title)

Appendix B to Part 307—Notice to Depositor of Voluntary Termination of Insured Status

(Date)

(Name and Address of Depositor)

SUBJECT: *Notice to Depositor of Voluntary Termination of Insured Status*

The insured status of (name of insured depository institution) under the provisions of the Federal Deposit Insurance Act, will terminate as of the close of business on the _____ Day of _____,

19____ ("termination date"). Insured deposits in the (name of insured depository institution) on the termination date, less all subsequent withdrawals from such deposits, will continue to be insured by the Federal Deposit Insurance Corporation, to the extent provided by law, until (date). Any deposits made by you after the termination date, either new deposits or additions to existing deposits, will not be insured by the Federal Deposit Insurance Corporation.

This notice is being provided pursuant to 12 U.S.C. 1818(a)(6) and 12 CFR 307.3(a).

Please contact (name of institution official in charge of depositor inquiries), at name and address of insured depository institution if additional information is needed regarding this Notice or the insured status of your account.

By order of the Board of Directors. Dated at Washington, D.C., this 29th day of April, 1997.

Federal Deposit Insurance Corporation

Robert E. Feldman,

Deputy Executive Secretary.

[FR Doc. 97-12549 Filed 5-13-97; 8:45 am]

BILLING CODE 6714-01-P

FEDERAL DEPOSIT INSURANCE CORPORATION

12 CFR Part 330

RIN 3064-AB73

Simplification of Deposit Insurance Rules

AGENCY: Federal Deposit Insurance Corporation (FDIC).

ACTION: Proposed rule.

SUMMARY: The FDIC is seeking comment on specific proposed revisions to the FDIC's deposit insurance regulations. The intended effect of the proposed rule is to simplify and revise the FDIC's regulations on deposit insurance by making several technical revisions and certain substantive revisions.

DATES: Written comments must be received by the FDIC on or before August 12, 1997.

ADDRESSES: Written comments are to be addressed to the Office of the Executive Secretary, Federal Deposit Insurance Corporation, 550 17th Street, N.W.,