

Unless otherwise noted, nonbanking activities will be conducted throughout the United States.

Unless otherwise noted, comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than January 11, 1998.

**A. Federal Reserve Bank of Cleveland** (Paul Kaboth, Banking Supervisor) 1455 East Sixth Street, Cleveland, Ohio 44101-2566:

1. *John B. Turner Holding Company*, Jackson, Kentucky; to become a bank holding company by acquiring 100 percent of the voting shares of Marie R. Turner Holding Company, Jackson, Kentucky, and Citizens Bank & Trust Company of Jackson, Jackson, Kentucky.

**B. Federal Reserve Bank of St. Louis** (Randall C. Sumner, Vice President) 411 Locust Street, St. Louis, Missouri 63102-2034:

1. *BCC Bancshares, Inc.*, Hardin, Illinois; to become a bank holding company by acquiring 100 percent of the voting shares of Bank of Calhoun County, Hardin, Illinois.

**C. Federal Reserve Bank of San Francisco** (Maria Villanueva, Manager of Analytical Support, Consumer Regulation Group) 101 Market Street, San Francisco, California 94105-1579:

1. *Umpqua Holdings Corporation*, Roseburg, Oregon; to become a bank holding company by acquiring 100 percent of the voting shares of South Umpqua State Bank, Roseburg, Oregon.

Board of Governors of the Federal Reserve System, December 14, 1998.

**Robert deV. Frierson,**

*Associate Secretary of the Board.*

[FR Doc. 98-33494 Filed 12-17-98; 8:45 am]

BILLING CODE 6210-01-F

## FEDERAL RESERVE SYSTEM

### Formations of, Acquisitions by, and Mergers of Bank Holding Companies

The companies listed in this notice have applied to the Board for approval, pursuant to the Bank Holding Company Act of 1956 (12 U.S.C. 1841 *et seq.*) (BHC Act), Regulation Y (12 CFR Part 225), and all other applicable statutes and regulations to become a bank holding company and/or to acquire the assets or the ownership of, control of, or the power to vote shares of a bank or bank holding company and all of the banks and nonbanking companies owned by the bank holding company, including the companies listed below.

The applications listed below, as well as other related filings required by the Board, are available for immediate

inspection at the Federal Reserve Bank indicated. The application also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the standards enumerated in the BHC Act (12 U.S.C. 1842(c)). If the proposal also involves the acquisition of a nonbanking company, the review also includes whether the acquisition of the nonbanking company complies with the standards in section 4 of the BHC Act. Unless otherwise noted, nonbanking activities will be conducted throughout the United States.

Unless otherwise noted, comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than January 14, 1999.

**A. Federal Reserve Bank of Chicago** (Philip Jackson, Applications Officer) 230 South LaSalle Street, Chicago, Illinois 60690-1413:

1. *Avondale Financial Corp.*, Chicago, Illinois; to become a bank holding company by acquiring 100 percent of the voting shares of Coal City Corporation, Chicago, Illinois, and Manufacturers Corporation, Chicago, Illinois, and thereby indirectly acquire Manufacturers National Bank, Chicago, Illinois.

**B. Federal Reserve Bank of San Francisco** (Maria Villanueva, Manager of Analytical Support, Consumer Regulation Group) 101 Market Street, San Francisco, California 94105-1579:

1. *United Security Bancorporation*, Spokane, Washington; to merge with Bancwest Financial Corporation, Walla Walla, Washington, and thereby indirectly acquire the Bank of the West, Walla Walla, Washington.

Board of Governors of the Federal Reserve System, December 15, 1998.

**Robert deV. Frierson,**

*Associate Secretary of the Board.*

[FR Doc. 98-33608 Filed 12-17-98; 8:45 am]

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## FEDERAL RESERVE SYSTEM

### Notice of Proposals to Engage in Permissible Nonbanking Activities or to Acquire Companies that are Engaged in Permissible Nonbanking Activities; Correction

This notice corrects a notice (FR Doc. 98-32550) published on page 67693 of the issue for Tuesday, December 8, 1998.

Under the Federal Reserve Bank of Richmond heading, the entry for BankAmerica Corporation, Charlotte, North Carolina; BancWest Corporation,

Honolulu, Hawaii; BB&T Corporation, Winston-Salem, North Carolina; First Union Corporation, Charlotte, North Carolina; SunTrust Banks, Inc., Atlanta, Georgia; Wachovia Corporation, Winston-Salem, North Carolina; and Zions Bancorporation, Salt Lake City, Utah, is revised to read as follows:

**B. Federal Reserve Bank of Richmond** (A. Linwood Gill III, Assistant Vice President) 701 East Byrd Street, Richmond, Virginia 23261-4528:

1. *BankAmerica Corporation*, Charlotte, North Carolina; BancWest Corporation, Honolulu, Hawaii; BB&T Corporation, Winston-Salem, North Carolina; First Union Corporation, Charlotte, North Carolina; SunTrust Banks, Inc., Atlanta, Georgia; Wachovia Corporation, Winston-Salem, North Carolina; and Zions Bancorporation, Salt Lake City, Utah; to acquire H&S Holding Company, Maitland, Florida; and thereby indirectly acquire HONOR Technologies, Inc., Maitland, Florida, and STAR Systems, Inc., San Diego, California, and thereby engage in certain data processing and electronic funds transfer services, management consulting services, and check verification services, pursuant to §§ 225.28 (b)(2), (b)(9) and (b)(14) of Regulation Y. These activities will be conducted worldwide.

Comments on this application must be received by December 30, 1998.

Board of Governors of the Federal Reserve System, December 14, 1998.

**Robert deV. Frierson,**

*Associate Secretary of the Board.*

[FR Doc. 98-33492 Filed 12-17-98; 8:45 am]

BILLING CODE 6210-01-F

## FEDERAL RESERVE SYSTEM

### Notice of Proposals to Engage in Permissible Nonbanking Activities or to Acquire Companies that are Engaged in Permissible Nonbanking Activities

The companies listed in this notice have given notice under section 4 of the Bank Holding Company Act (12 U.S.C. 1843) (BHC Act) and Regulation Y, (12 CFR Part 225) to engage *de novo*, or to acquire or control voting securities or assets of a company, including the companies listed below, that engages either directly or through a subsidiary or other company, in a nonbanking activity that is listed in § 225.28 of Regulation Y (12 CFR 225.28) or that the Board has determined by Order to be closely related to banking and permissible for bank holding companies. Unless otherwise noted, these activities will be conducted throughout the United States.

Each notice is available for inspection at the Federal Reserve Bank indicated. The notice also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the question whether the proposal complies with the standards of section 4 of the BHC Act.

Unless otherwise noted, comments regarding the applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than January 11, 1998.

**A. Federal Reserve Bank of St. Louis** (Randall C. Sumner, Vice President) 411 Locust Street, St. Louis, Missouri 63102-2034:

*1. Chambers Bancshares, Inc.*, Danville, Arkansas, and its wholly owned subsidiary, Community Investment, Inc., Elkins, Arkansas; to acquire Community Bank, F.S.B., Elkins, Arkansas, and thereby engage in operating a savings and loan association, pursuant to § 225.28(b)(4)(ii) of Regulation Y.

Board of Governors of the Federal Reserve System, December 14, 1998.

**Robert deV. Frierson,**

*Associate Secretary of the Board.*

[FR Doc. 98-33493 Filed 12-17-98; 8:45 am]

BILLING CODE 6210-01-F

## FEDERAL RESERVE SYSTEM

### Notice of Proposals to Engage in Permissible Nonbanking Activities or to Acquire Companies that are Engage in Permissible Nonbanking Activities; Correction

This notice corrects a notice (FR Doc. 98-31847) published on page 66187 of the issue for Tuesday, December 1, 1998.

Under the Federal Reserve Bank of Cleveland heading, the entry for Mellon Bank Corporation, Pittsburgh, Pennsylvania, is revised to read as follows:

**A. Federal Reserve Bank of Cleveland** (Paul Kaboth, Banking Supervisor) 1455 East Sixth Street, Cleveland, Ohio 44101-2566:

*1. Mellon Bank Corporation*, Pittsburgh, Pennsylvania; to engage *de novo* through its subsidiary, Mellon Financial Markets, Inc., Pittsburgh, Pennsylvania, in underwriting and dealing in all types of debt and equity securities on a limited basis, pursuant to the conditions set forth in 12 CFR 225.200; in agency transaction services for customer investments, pursuant to § 225.28(b)(7) of Regulation Y; in investment transactions as principal, pursuant to § 225.28(b)(8) of Regulation

Y; and in providing financial and investment advice, pursuant to § 225.28(b)(6) of Regulation Y.

Comments on this application must be received by December 29, 1998.

Board of Governors of the Federal Reserve System, December 15, 1998.

**Robert deV. Frierson,**

*Associate Secretary of the Board.*

[FR Doc. 98-33609 Filed 12-17-98; 8:45 am]

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## FEDERAL RESERVE SYSTEM

[Docket No. R-1032]

### Settlement-day Finality for Automated Clearing House Credit Transactions

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Notice.

**SUMMARY:** The Board is requesting comment on the benefits and drawbacks of providing settlement finality on the morning of the settlement day for ACH credit transactions processed by the Federal Reserve.

**DATES:** Comments must be submitted on or before March 18, 1999.

**ADDRESSES:** Comments should refer to Docket No. R-1032 and may be mailed to Ms. Jennifer J. Johnson, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, NW, Washington, DC 20551. Comments may also be delivered to the Board's mail room between 8:45 a.m. and 5:15 p.m. on weekdays, and to the security control room at all other times. The mail room and the security control rooms are accessible from the courtyard entrance on 20th Street between Constitution Avenue and C Street, NW. Comments will be available for inspection and copying by members of the public in the Freedom of Information Office, Room MP-500, between 9:00 a.m. and 5:00 p.m. weekdays, except as provided in section 261.8 of the Board's Rules Regarding Availability of Information.

#### FOR FURTHER INFORMATION CONTACT:

Wesley M. Horn, Manager, ACH Payments (202/452-2756); Myriam Y. Payne, Senior Financial Services Analyst, Payment Systems Risk and Net Settlement (202/452-3219); Jeffrey S. H. Yeganeh, Senior Financial Services Analyst (202/728-5801), Division of Reserve Bank Operations and Payment Systems; for the hearing impaired only, contact Diane Jenkins, Telecommunication Device for the Deaf (TDD) (202/452-3544).

## SUPPLEMENTARY INFORMATION:

### I. Background

The Board is considering the merits of providing settlement finality on the morning of the settlement day for ACH credit transactions processed by the Federal Reserve Banks. The issue of settlement finality for ACH transactions processed by the Reserve Banks has been a subject of industry discussion since the 1980s. Currently, the Reserve Bank's uniform ACH operating circular gives the Reserve Banks the right to reverse settlement for either debit or credit transactions until 8:30 a.m. eastern time on the morning of the business day following the settlement day. A Reserve Bank can reverse settlement if it does not receive actually and finally collected funds from the depository institution funding the payments (the originating depository financial institution (ODFI) in the case of credit transactions or the receiving depository financial institution (RDFI) in the case of debit transactions) by 8:30 a.m. eastern time on the morning of the business day following the settlement day, with notification to the ODFIs and RDFIs as soon as possible thereafter. In comparison, private-sector ACH operators provide settlement finality either on the settlement day or on the business day after the settlement day, depending on the type of net settlement arrangement the operator uses. The Board expects that all private-sector ACH operators will be able to provide settlement-day finality to their customers once the Reserve Banks fully implement their enhanced settlement service (63 FR 60000, November 6, 1998).

The Board requested comment on proposals to improve settlement finality for ACH transactions processed by the Reserve Banks in 1986 and 1989. The 1986 proposal would have provided settlement finality for ACH credit transactions of \$5,000 or less at 1:00 p.m. local time on the settlement day and for ACH credit transactions of more than \$5,000 and ACH debit transactions when the Reserve Bank received actually and finally collected funds (51 FR 45043, December 16, 1986). The 1989 proposal would have provided settlement finality for ACH credit transactions at 6:30 p.m. local time on the settlement day and for ACH debit transactions at 10:00 a.m. local time on the business day after settlement. Commenters did not support either proposal because neither provided finality at the opening of business on the settlement day (54 FR 8822, March 2, 1989).