

BILLING CODE: 6720-01 P

DEPARTMENT OF THE TREASURY

Office of Thrift Supervision

12 CFR Parts 503, 505, 557, 559, 563, 572

[No. 99-79]

Technical Amendments

AGENCY: Office of Thrift Supervision, Treasury.

ACTION: Final rule.

SUMMARY: The Office of Thrift Supervision (OTS) is amending its regulations to incorporate a number of technical and conforming amendments. OTS is updating statutory references and regulatory cross-references, amending provisions that contain minor drafting errors, and making other minor changes.

EFFECTIVE DATE: [Insert date of publication in Federal Register.]

FOR FURTHER INFORMATION CONTACT: Mary H. Gottlieb, Senior Paralegal (Regulations), (202) 906-7135, or Karen A. Osterloh, Assistant Chief Counsel, (202) 906-6639, Regulations and Legislation Division, Chief Counsel's Office, Office of Thrift Supervision, 1700 G Street, NW., Washington DC 20552.

SUPPLEMENTARY INFORMATION:

OTS is amending its regulations to incorporate a number of technical and conforming amendments. Specifically, OTS is amending:

- Part 503 - Privacy Act. OTS has updated office names and employee titles.
- Part 505 - Freedom of Information Act. OTS has updated office names, employee titles, and references for requesting records by e-mail.
- Part 557 - Deposits. OTS has added an inadvertently omitted statutory citation to § 557.11.
- Part 559 - Subordinate Organizations. OTS has corrected an erroneous cross-reference to a FDIC regulation requiring savings associations to file a notice before acquiring or establishing a subsidiary or conducting new activities through a subsidiary.
- Part 563 - Operations. OTS has clarified that its frequency of examination regulation relates solely to safety and soundness examinations, as opposed to compliance examinations. OTS has also corrected a typographical error in its transactions with affiliates regulations.

- Part 572 - Loans in Areas Having Special Flood Hazards. OTS has deleted a cross-reference to Federal Emergency Management Agency (FEMA) regulations at 44 CFR Part 65, Appendix A, which had contained the text of the Standard Flood Hazard Determination Form (Form). FEMA removed Appendix A in 1998. OTS has revised its regulation to indicate where lenders may obtain copies of the Form.

Administrative Procedure Act; Riegle Community Development and Regulatory Improvement Act of 1994

The OTS has found good cause to dispense with both prior notice and comment on this final rule and a 30-day delay of its effective date mandated by the Administrative Procedure Act.¹ OTS believes that it is contrary to public interest to delay the effective date of the rule, as it corrects provisions that have caused confusion. Because the amendments in the rule are not substantive, making them effective immediately will not detrimentally affect savings associations.

In addition, this document is exempt from the requirement found in section 302 of the Riegle Community Development and Regulatory Improvement Act of 1994² that regulations must not take effect before the first day of the quarter following publication, as it imposes no new requirements.

¹ 5 U.S.C. 553.

² Pub. L. No. 103-325, 12 U.S.C. 4802.

Regulatory Flexibility Act

Pursuant to section 605(b) of the Regulatory Flexibility Act,³ it is certified that this technical corrections regulation will not have a significant economic impact on a substantial number of small entities.

Executive Order 12866

OTS has determined that this rule is not a “significant regulatory action” for purposes of Executive Order 12866.

Unfunded Mandates Reform Act of 1995

OTS has determined that the requirements of this final rule will not result in expenditures by State, local, and tribal governments, or by the private sector, of \$100 million or more in any one year. Accordingly, a budgetary impact statement is not required under section 202 of the Unfunded Mandates Reform Act of 1995.

Paperwork Reduction Act

This final rule does not involve a collection of information under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) This final rule, however, amends existing § 572.6, which contains paperwork burden. The final rule does not change the burden.

³ Pub. L. No. 96-354, 5 U.S.C. 601.

List of Subjects

12 CFR Part 503

Privacy.

12 CFR Part 505

Freedom of Information.

12 CFR Part 557

Investments, Reporting and recordkeeping requirements, Savings associations.

12 CFR Part 559

Reporting and recordkeeping requirements, Savings associations, Subsidiaries.

12 CFR Part 563

Accounting, Advertising, Crime, Currency, Investments, Reporting and recordkeeping requirements, Savings associations, Securities, Surety bonds.

12 CFR Part 572

Flood insurance, Reporting and recordkeeping requirements, Savings associations.

Accordingly, the Office of Thrift Supervision hereby amends title 12, chapter V of the Code of Federal Regulations as set forth below.

PART 503 - PRIVACY ACT

1. The authority citation for part 503 continues to read as follows:

Authority: 5 U.S.C. 552a; 12 U.S.C. 1462a, 1463, 1464.

2. Section 503.1 is amended by revising the last sentence of paragraphs (b), (c), and (d) to read as follows:

§ 503.1 Scope and procedures.

* * * * *

(b) * * * Requests for information and specific guidance on where to send requests for records may be mailed or delivered personally to: Privacy Act Request, Manager, Dissemination Branch, Information Management & Services Division, Office of Thrift Supervision, 1700 G Street, NW., Washington, DC 20552.

(c) * * * Requests for amendment should be addressed to: Privacy Act Amendment Request, Manager, Dissemination Branch, Information Management & Services Division, Office of Thrift Supervision, 1700 G Street, NW., Washington, DC 20552.

(d) * * * Appeals made by mail should be addressed to, or delivered personally to: Privacy Act Amendment Appeal, Deputy Chief Counsel for General Law, Office of Thrift Supervision, 1700 G Street, NW., Washington, DC 20552.

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PART 505 - FREEDOM OF INFORMATION ACT

3. The authority citation for part 505 continues to read as follows:

Authority: 5 U.S.C. 552; 12 U.S.C. 1462a, 1463, 1464.

4. Section 505.2 is amended by revising the last sentence to read as follows:

§ 505.2 Public reference room.

* * * Contact the Dissemination Branch, Information Management & Services Division, Office of Thrift Supervision, 1700 G Street, NW., Washington, DC 20552, or visit the Public Reference Room at 1700 G Street, NW., Lower Level, from 9:00 a.m. to 4:00 p.m. on business days.

5. Section 505.3 is amended by revising the last two sentences to read as follows:

§ 505.3 Requests for records.

* * * Requests may be mailed to: Freedom of Information Act Request, Dissemination Branch, Information Management & Services Division, Office of Thrift Supervision, 1700 G Street, NW., Washington, DC 20552, or marked "FOIA" and delivered in person to the Public Reference Room, Dissemination Branch, Information Management & Services Division, 1700 G Street, NW., Lower Level. Requests may also be sent by e-mail or facsimile.

6. Section 505.4 is amended by revising the last three sentences to read as follows:

§ 505.4 Administrative appeal of initial determination to deny records.

* * * Appeals by mail should be addressed to: Deputy Chief Counsel for General Law, 1700 G Street, NW., Washington, DC 20552. Appeals may be delivered personally to the Dissemination Branch, Information Management & Services Division, Office of Thrift Supervision 1700 G Street, NW., Lower Level. Appeals may also be sent by e-mail or facsimile.

PART 557 – DEPOSITS

7. The authority citation for part 557 continues to read as follows:

Authority: 12 U.S.C. 1462a, 1463, 1464.

8. Section 557.11 is amended by revising paragraph (a) introductory text to read as follows:

§ 557.11 To what extent does federal law preempt deposit-related state laws?

(a) Under sections 4(a), 5(a), and 5(b) of the HOLA, 12 U.S.C. 1463(a), 1464(a), and 1464(b), OTS is authorized to promulgate regulations that preempt state laws affecting the operations of federal savings associations when appropriate to:

* * * * *

PART 559 – SUBORDINATE ORGANIZATIONS

9. The authority citation for part 559 continues to read as follows:

Authority: 12 U.S.C. 1462, 1462a, 1463, 1464, 1828.

10. Section 559.11 is amended by revising the second sentence to read as follows:

§ 559.11 What notices are required to establish or acquire a new subsidiary or engage in new activities through an existing subsidiary?

* * * The Notice must contain all of the information the Federal Deposit Insurance Corporation (FDIC) requires under 12 CFR 362.15. * * *

PART 563 – OPERATIONS

11. The authority citation for part 563 continues to read as follows:

Authority: 12 U.S.C. 375b, 1462, 1462a, 1463, 1464, 1467a, 1468, 1817, 1820, 1828, 1831i, 3806; 42 U.S.C. 4106.

12. Section 563.41 is amended by revising paragraph (b)(1)(v)(B) to read as follows:

§ 563.41 Loans and other transactions with affiliates and subsidiaries.

* * * * *

(b) * * *

(1) * * *

(v) * * *

(B) That the Office determines presents a risk to the safety or soundness of the savings association, based on the nature of the activities conducted by the company, amount of transactions with the savings associations or its subsidiaries, financial condition of the company or its parent savings association, or other supervisory factors;

* * * * *

13. Section 563.171 is amended by revising the section heading to read as follows:

§ 563.171 Frequency of safety and soundness examination.

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PART 572 – LOANS IN AREAS HAVING SPECIAL FLOOD HAZARDS

14. The authority citation for part 572 continues to read as follows:

Authority: 12 U.S.C. 1462, 1462a, 1463, 1464; 42 U.S.C. 4012a, 4104a, 4104b, 4106, 4128.

15. Section 572.6 is amended by revising paragraph (a) to read as follows:

§ 572.6 Required use of standard flood hazard determination form.

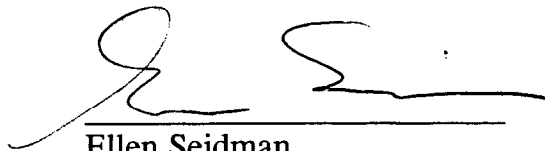
(a) Use of form. A savings association shall use the standard flood hazard determination form developed by the Director of FEMA when

determining whether the building or mobile home offered as collateral security for a loan is or will be located in a special flood hazard area in which flood insurance is available under the Act. The standard flood hazard determination form may be used in a printed, computerized, or electronic manner. A savings association may obtain the standard flood hazard determination form from FEMA, P.O. Box 2012, Jessup, MD 20794-2012.

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DATED: December 6, 1999

By the Office of Thrift Supervision.

A handwritten signature in black ink, appearing to read 'E. Seidman', written over a horizontal line.

Ellen Seidman
Director