

FEDERAL RESERVE SYSTEM
12 CFR Part 265
[Docket No. R-0973]
Rules Regarding Delegation of Authority

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule.

SUMMARY: The Board is amending its delegation rules to allow the Secretary of the Board to determine the Federal Reserve District in which an institution is located for purposes of Federal Reserve membership and reserve account maintenance. This amendment should provide for more expeditious handling of location determinations.

EFFECTIVE DATE: October 1, 1997.

FOR FURTHER INFORMATION CONTACT: Oliver Ireland, Associate General Counsel, (202/452-3625) or Stephanie Martin, Senior Attorney (202/452-3198), Legal Division. For the hearing impaired only, contact Diane Jenkins, Telecommunications Device for the Deaf (TDD) (202/452-3544), Board of Governors of the Federal Reserve System, 20th and C Streets, N.W., Washington, D.C. 20551.

SUPPLEMENTARY INFORMATION: The Board has adopted amendments to its Regulations D (Reserve Requirements of Depository Institutions, 12 CFR part 204) and Regulation I (Issue and Cancellation of Capital Stock of Federal Reserve Banks, 12 CFR part 209) to define the location of a depository institution for purposes of Federal Reserve membership and reserve account maintenance. (See Docket No. R-0963, elsewhere in today's Federal Register.) The amendments provide that an institution is considered to be located in the Federal Reserve District specified in its charter or organizing certificate, or, if no such location is specified, the location of its head office. The Board could make exceptions to the general rule for a particular institution after considering certain criteria. Thus, if the institution's location were uncertain or its location based on its charter, organizing certificate, or head office differed from the location where it conducted most of its business, the Board could designate the appropriate location, after consultation with the institution and the relevant Reserve Banks. (The relevant Reserve Banks are the Reserve Bank whose district contains the bank's charter, organizing certificate, license, or head office location and the Reserve Bank in whose district the bank is proposed to be located.)

The Board is delegating to the Secretary of the Board the authority to make a location determination under Regulation D or Regulation I if the relevant Federal Reserve Banks and the institution agree on the specific Reserve Bank in which the institution should hold stock or with which the institution should maintain a reserve account, and the agreed-upon location does not raise any significant policy issues.

Administrative Procedure Act

The Administrative Procedure Act (5 U.S.C. 553(b)(A)) exempts "rules of agency organization, procedure, or practice" from the notice of proposed rulemaking and public comment requirements. As the Board's delegation rules fall under this exemption, the Board is adopting these amendments without notice-and-comment procedures.

List of Subjects in 12 CFR Part 265

Authority delegations (Government agencies), Banks, banking, Federal Reserve System.

For the reasons set forth in the preamble, the Board is amending 12 CFR Part 265 as set forth below:

PART 265--RULES REGARDING DELEGATION OF AUTHORITY

1. The authority citation for Part 265 continues to read as follows:

Authority: 12 U.S.C. 248(i) and (k).

2. Section 265.5 is amended by adding a new paragraph (f) to read as follows:

§ 265.5 Functions delegated to Secretary of the Board.

* * * * *

(f) Location of institution. To determine the Federal Reserve District in which an institution is located pursuant to § 204.3(b)(2)(ii) of Regulation D (12 CFR part 204) or § 209.15(b) of Regulation I (12 CFR part 209) if:

- (1) The relevant Federal Reserve Banks and the institution agree on the specific Reserve Bank in which the institution should hold stock or with which the institution should maintain reserve balances; and
- (2) The agreed-upon location does not raise any significant policy issues.

By order of the Board of Governors of the Federal Reserve System, June 23, 1997.

/signed/

William W. Wiles,

Secretary of the Board. BILLING CODE 6210-01-P