



Federal Register

**Monday,
June 28, 2004**

Part LV

Federal Reserve System

Semiannual Regulatory Agenda

FEDERAL RESERVE SYSTEM (FRS)

FEDERAL RESERVE SYSTEM

12 CFR Ch. II

Semiannual Regulatory Flexibility Agenda

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Semiannual regulatory agenda.

SUMMARY: The Board is issuing this agenda under the Regulatory Flexibility Act and the Board's Statement of Policy Regarding Expanded Rulemaking Procedures. The Board anticipates having under consideration regulatory matters as indicated below during the period May 1, 2004 through October 31, 2004. The next agenda will be published in fall 2004.

DATES: Comments about the form or content of the agenda may be submitted any time during the next 6 months.

ADDRESSES: Comments should be addressed to Jennifer J. Johnson, Secretary of the Board, Board of Governors of the Federal Reserve System, Washington, DC 20551.

FOR FURTHER INFORMATION CONTACT: A staff contact for each item is indicated with the regulatory description below.

SUPPLEMENTARY INFORMATION: The Board is publishing its spring 2004 agenda as part of the Spring 2004 Unified Agenda of Federal Regulatory and Deregulatory Actions, which is coordinated by the Office of Management and Budget under Executive Order 12866. The agenda also identifies rules the Board has selected for review under section 610(c) of the Regulatory Flexibility Act, and public comment is invited on those entries.

Participation by the Board in the Unified Agenda is on a voluntary basis.

The Board's agenda is divided into three sections. The first, Proposed Rule Stage, reports on matters the Board may consider for public comment during the next 6 months. The second section, Final Rule Stage, reports on matters that have been proposed and are under Board consideration. A third section, Completed Actions, reports on regulatory matters the Board has completed or is not expected to consider further. Matters begun and completed between issues of the agenda have not been included.

A dot (•) preceding an entry indicates a new matter that was not a part of the Board's previous agenda and which the Board has not completed.

Margaret McCloskey Shanks
Assistant Secretary of the Board

Federal Reserve System—Proposed Rule Stage

Sequence Number	Title	Regulation Identifier Number
4111	Regulation: H — Membership of State Banking Institutions in the Federal Reserve System	7100-AC73
4112	Regulation: H — Membership of State Banking Institutions in the Federal Reserve System; and Regulation: Y — Bank Holding Companies and Change in Bank Control, Capital Appendices (Section 610 Review)	7100-AC88
4113	Regulation: Y — Bank Holding Companies and Change in Bank Control	7100-AC66
4114	Regulation: Y — Bank Holding Companies and Change in Bank Control	7100-AC78
4115	Regulation: DD — Truth in Savings Act (Section 610 Review)	7100-AC86

Federal Reserve System—Final Rule Stage

Sequence Number	Title	Regulation Identifier Number
4116	Regulations: B - Equal Credit Opportunity; E - Electronic Fund Transfer; M - Consumer Leasing; Z - Truth in Lending; DD - Truth in Savings (Docket Numbers: R-1168, R-1169, R-1170, R-1167, and R-1171)	7100-AC92
4117	Regulation: H — Membership of State Banking Institutions in the Federal Reserve System (Docket Number: R-1064)	7100-AC69
4118	Regulation: H — Membership of State Banking Institutions in the Federal Reserve System; and Regulation: Y — Bank Holding Companies and Change in Bank Control (Docket Number: R-1087)	7100-AC75
4119	Regulations: H and Y - Risk-Based Capital Guidelines; Capital Adequacy Guidelines; Capital Maintenance: Asset-Backed Commercial Paper Programs and Early Amortization Provisions (Docket Number: R-1162)	7100-AC90
4120	Regulation: V — Fair Credit Reporting (Docket Number: R-1082)	7100-AC68
4121	Regulation: V — Fair Credit Reporting (Docket Number: R-1188)	7100-AC91
4122	Regulation: Y — Bank Holding Companies and Change in Bank Control (Docket Number: R-1091)	7100-AC79
4123	Regulation: Y — Bank Holding Companies and Change in Bank Control (Docket Number: R-1094)	7100-AC81
4124	Regulation: BB — Community Reinvestment (Docket Number: R-1112 and R-1181) (Section 610 Review)	7100-AC87

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Federal Reserve System—Completed Actions

Sequence Number	Title	Regulation Identifier Number
4125	Regulation: B — Equal Credit Opportunity; and Regulation: Z — Truth in Lending (Docket Numbers: R-1040 and R-1043)	7100-AC46
4126	Regulation: E — Electronic Fund Transfers (Docket Numbers: R-0919 and R-1041)	7100-AC06
4127	Regulation: H — Membership of State Banking Institutions in the Federal Reserve System; and Regulation: Y — Bank Holding Companies and Change in Bank Control (Docket Number: R-0930)	7100-AC13
4128	Regulation: M — Consumer Leasing (Docket Number: R-1042)	7100-AC53
4129	Regulation: Y — Bank Holding Companies and Change in Bank Control (Docket Number: R-1092)	7100-AC82
4130	Regulation: DD — Truth in Savings (Docket Number: R-1044)	7100-AC34

Federal Reserve System (FRS)

Proposed Rule Stage

4111. REGULATION: H — MEMBERSHIP OF STATE BANKING INSTITUTIONS IN THE FEDERAL RESERVE SYSTEM

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: 12 USC 1828(t)

CFR Citation: 12 CFR 208

Legal Deadline: None

Abstract: Section 204 of the Gramm-Leach-Bliley Act added a new subsection (t) to section 18 of the Federal Deposit Insurance Act requiring the Board, in consultation with the Securities and Exchange Commission, to establish recordkeeping requirements for state member banks and branches and agencies of foreign banks that rely on the exceptions from the definition of broker or dealer provided in section 3(a)(4) or (5) of the Securities Exchange Act of 1934.

The Board anticipates issuing for public comment a rule that would implement these recordkeeping requirements. The Board notes that the Securities and Exchange Commission has, by rule, delayed the effective date of the new exemptions for banks contained in section 3(a)(4) of the Securities Exchange Act of 1934, and has indicated that it expects to issue for public comment, a revised rule to implement the “broker” exception in section 3(a)(4) of the Securities and Exchange Act. In light of these developments, the Board has delayed adopting a recordkeeping rule pending action by the Securities and Exchange Commission. It is not anticipated that the Board’s proposal, when issued,

would have a significant economic impact on a substantial number of small entities subject to the Board’s regulation.

Timetable:

Action	Date	FR Cite
Board will consider requesting comment by	12/00/04	

Regulatory Flexibility Analysis Required: No

Government Levels Affected: None

Federalism: Undetermined

Agency Contact: Kieran Fallon, Managing Senior Counsel, Federal Reserve System, Legal Division
Phone: 202 452-5270

RIN: 7100-AC73

4112. REGULATION: H — MEMBERSHIP OF STATE BANKING INSTITUTIONS IN THE FEDERAL RESERVE SYSTEM; AND REGULATION: Y — BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL, CAPITAL APPENDICES (SECTION 610 REVIEW)

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 24; 12 USC 24a; 12 USC 36; 12 USC 92a; ...

CFR Citation: 12 CFR 208 app A; 12 CFR 208 app D; 12 CFR 208 app E; 12 CFR 225 app A; 12 CFR 225 app D; 12 CFR 225 app E

Legal Deadline: None

Abstract: The capital appendices to Regulations H and Y set forth guidelines for institutions in calculating their regulatory capital requirements, both risk-based and leveraged.

While the guidelines are continuously monitored and updated as required to reflect market innovations, accounting changes, or modifications to supervisory policy, the Board is undertaking a more comprehensive review of the guidelines to minimize regulatory burden, clarify issues arising from the Gramm-Leach-Bliley Act, enhance the overall risk sensitivity, and to comply with provisions of section 610(c) of the Regulatory Flexibility Act of 1994. This review is proceeding in conjunction with ongoing revisions to the Basel Accord. The Board will consider requesting comment after the next quantitative impact study on the impact of the Basel revisions.

Timetable:

Action	Date	FR Cite
Board will consider requesting comment by	03/00/05	

Regulatory Flexibility Analysis Required: No

Government Levels Affected: None

Federalism: Undetermined

Agency Contact: Barbara Bouchard, Deputy Associate Director, Federal Reserve System, Division of Banking Supervision and Regulation
Phone: 202 452-3072

RIN: 7100-AC88

4113. REGULATION: Y — BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 1844(b)

CFR Citation: 12 CFR 225

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Proposed Rule Stage

Legal Deadline: None

Abstract: Title I of the Gramm-Leach-Bliley Act (GLB Act) makes a number of miscellaneous amendments to sections 3, 4, and 5 of the Bank Holding Company Act of 1956 (BHC Act) and adds a new section 10A to the BHC Act. These amendments, among other things, prohibit the Board from determining that new activities are closely related to banking under section 4(c)(8) of the BHC Act; streamline the Board's reporting, examination, and other supervisory authority over bank holding companies and their subsidiaries; reduce the restrictions applicable to companies that control "nonbank banks" that are exempt from the nonbanking restrictions of the BHC Act under section 4(f) of that Act; and repeal the savings bank life insurance provisions currently set forth in section 3(g) of the BHC Act.

The Board will consider issuing for public comment amendments to Regulation Y to implement the provisions of the GLB Act affecting the BHC Act that have not previously been addressed in rules adopted by the Board. It is not anticipated that the proposals will have a significant economic impact on a substantial number of small entities subject to the Board's regulation.

Timetable:

Action	Date	FR Cite
Board will consider requesting comment by	12/00/04	

Regulatory Flexibility Analysis Required: No

Government Levels Affected: None

Federalism: Undetermined

Agency Contact: Kieran Fallon, Managing Senior Counsel, Federal Reserve System, Legal Division
Phone: 202 452-5270

RIN: 7100-AC66

4114. REGULATION: Y — BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 24; 12 USC 24a; 12 USC 36; 12 USC 92a; 12 USC 93a; 12 USC 248(a); 12 USC 248(c); 12 USC 321 to 338a; 12 USC 371d; 12 USC 481 to 486; 12 USC 601; 12 USC 611; 12 USC 1814; 12 USC 1816; ...

CFR Citation: 12 CFR 225

Legal Deadline: None

Abstract: The Board will consider issuing for public comment proposed amendments to Regulation Y that will include a series of technical changes to Regulation Y necessitated by the Gramm-Leach-Bliley Act, as well as a general reorganization of Regulation Y. The proposal should not have a significant economic impact on a substantial number of small entities.

Timetable:

Action	Date	FR Cite
Board will consider requesting comment by	12/00/04	

Regulatory Flexibility Analysis Required: No

Government Levels Affected: None

Federalism: Undetermined

Agency Contact: Andrew S. Baer, Counsel, Federal Reserve System, Legal Division

Phone: 202 452-2246

RIN: 7100-AC78

4115. REGULATION: DD — TRUTH IN SAVINGS ACT (SECTION 610 REVIEW)

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 4301

CFR Citation: 12 CFR 230

Legal Deadline: None

Abstract: Regulation DD, which implements the Truth in Savings Act, requires that depository institutions uniformly disclose to customers information about the terms and conditions on which interest is paid and fees are assessed on deposit accounts.

The Board has targeted Regulation DD for review to update it and to comply with provisions of section 610(c) of the Regulatory Flexibility Act of 1994. The review is expected to commence with publication of an advance notice of proposed rulemaking in second quarter 2004 and be completed in the same year.

Timetable:

Action	Date	FR Cite
Board will consider requesting comment by	10/00/04	

Regulatory Flexibility Analysis Required: Yes

Small Entities Affected: Businesses

Government Levels Affected: None

Federalism: Undetermined

Agency Contact: Jane Ahrens, Senior Counsel, Federal Reserve System, Division of Consumer and Community Affairs

Phone: 202 452-3667

RIN: 7100-AC86

Federal Reserve System (FRS)

Final Rule Stage

4116. • REGULATIONS: B – EQUAL CREDIT OPPORTUNITY; E – ELECTRONIC FUND TRANSFER; M – CONSUMER LEASING; Z – TRUTH IN LENDING; DD – TRUTH IN SAVINGS (DOCKET NUMBERS: R-1168, R-1169, R-1170, R-1167, AND R-1171)

Priority: Substantive, Nonsignificant

Legal Authority: 15 USC 1691-1691f; 15 USC 1693 et seq; 15 USC 1604 et

seq; 15 USC 1667f et seq; 12 USC 3806; 15 USC 1604; 15 USC 1637(c)(5); 12 USC 4301 et seq

CFR Citation: 12 CFR 202 et seq; 12 CFR 205 et seq; 12 CFR 213 et seq; 12 CFR 226 et seq; 12 CFR 230 et seq

Legal Deadline: None

Abstract: In December 2003, the Board proposed amendments to five regulations to (1) establish a more

uniform standard of providing "clear and conspicuous" disclosures among the Board's consumer financial services regulations, and (2) define more specifically the standard for providing "clear and conspicuous" disclosures. The proposals were intended to help ensure that consumers receive noticeable and understandable information that is required by law in connection with obtaining consumer

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financial products and services. The Board is reviewing the comment letters and is considering appropriate options to improve disclosures and address commenters' concerns.

Timetable:

Action	Date	FR Cite
Board requested comment	12/10/03	68 FR 68786
Further Board action by	06/00/04	

Regulatory Flexibility Analysis

Required: No

Small Entities Affected: No

Government Levels Affected: None

Federalism: Undetermined

Agency Contact: James A. Michaels, Assistant Director, Federal Reserve System, Division of Consumer and Community Affairs
Phone: 202 452-3667

RIN: 7100-AC92

4117. REGULATION: H — MEMBERSHIP OF STATE BANKING INSTITUTIONS IN THE FEDERAL RESERVE SYSTEM (DOCKET NUMBER: R-1064)

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 335; 12 USC 1835a

CFR Citation: 12 CFR 208

Legal Deadline: None

Abstract: In March 2000, the Board approved an interim rule with request for public comment amending Regulation H to implement section 121 of the Gramm-Leach-Bliley Act for state member banks (65 FR 14810, March 20, 2000). Section 121 in part authorizes state member banks to control, or hold an interest in, financial subsidiaries so as to conduct certain activities that are financial in nature or incidental to a financial activity. In August 2001, following review of the public comments, the Board adopted the final rule substantially as proposed (66 FR 42929, August 16, 2001).

The Board will also consider issuing for public comment a proposed rule in place of an existing Miscellaneous Interpretation (12 CFR 250.141) relating to member bank purchases of stock in operations subsidiaries to update its provisions and conform to section 121. It is not anticipated that the proposal will have a significant economic impact

on a substantial number of small entities subject to the Board's regulation.

Timetable:

Action	Date	FR Cite
Board requested comment on interim rule	03/20/00	65 FR 14810
Board adopted interim rule	08/16/01	66 FR 42929
Board will consider requesting comment on replacement rule for Miscellaneous Interpretation by	12/00/04	

Regulatory Flexibility Analysis

Required: No

Government Levels Affected: None

Federalism: Undetermined

Agency Contact: Michael J. O'Rourke, Counsel, Federal Reserve System, Legal Division
Phone: 202 452-3288

RIN: 7100-AC69

4118. REGULATION: H — MEMBERSHIP OF STATE BANKING INSTITUTIONS IN THE FEDERAL RESERVE SYSTEM; AND REGULATION: Y — BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL (DOCKET NUMBER: R-1087)

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 24; 12 USC 36; 12 USC 92a; 12 USC 93a; ...

CFR Citation: 12 CFR 208; 12 CFR 225

Legal Deadline: None

Abstract: In December 2000, the Board issued an interim rule, with request for public comment, amending Regulations H and Y to effectively reduce the capital requirement for certain securities borrowing transactions (65 FR 75856, December 5, 2000). The proposed amendments would recognize the historically low risk of these transactions and bring the capital requirements for U.S. banking organizations into better alignment with the capital requirements of other U.S. and non-U.S. regulators of financial institutions. The proposed amendments would have little or no effect on small banking organizations subject to the Board's regulation, as securities borrowing activities are concentrated in a relatively small number of very large banking organizations. Following

review of the public comments, the Board will take further action.

Timetable:

Action	Date	FR Cite
Board requested comment	12/05/00	65 FR 75856
Further Board action by	11/00/04	

Regulatory Flexibility Analysis

Required: No

Government Levels Affected: None

Federalism: Undetermined

Agency Contact: David Adkins, Supervisory Financial Analyst, Federal Reserve System, Division of Banking Supervision and Regulation
Phone: 202 452-5259

RIN: 7100-AC75

4119. • REGULATIONS: H AND Y — RISK-BASED CAPITAL GUIDELINES; CAPITAL ADEQUACY GUIDELINES; CAPITAL MAINTENANCE: ASSET-BACKED COMMERCIAL PAPER PROGRAMS AND EARLY AMORTIZATION PROVISIONS (DOCKET NUMBER: R-1162)

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 24; 12 USC 36

CFR Citation: 12 CFR 208; 12 CFR 225

Legal Deadline: None

Abstract: The Federal Reserve, along with the other federal banking agencies, proposed to amend their risk-based capital standards by removing a sunset provision in order to permit sponsoring banks, thrifts, and bank holding companies (banking organizations) to continue to exclude from their risk-weighted asset bases those assets in asset-backed commercial paper (ABCP) programs that are consolidated onto balance sheets as a result of Financial Accounting Standards Board Interpretation No. 46, Consolidation of Variable Interest Entities (FIN 46). The removal of the sunset provision is contingent upon the agencies implementing alternative, more risk-sensitive risk-based capital requirements for liquidity facilities provided to ABCP programs.

Timetable:

Action	Date	FR Cite
Board requested comment	10/01/03	68 FR 56568
Further Board action by	07/00/04	

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Regulatory Flexibility Analysis**Required:** No**Small Entities Affected:** No**Government Levels Affected:** None**Federalism:** Undetermined

Agency Contact: Thomas R. Boemio, Senior Project Manager, Policy, Federal Reserve System, Division of Banking Supervision and Regulation
Phone: 202 452-2982

RIN: 7100-AC90

4120. REGULATION: V — FAIR CREDIT REPORTING (DOCKET NUMBER: R-1082)
Priority: Substantive, Nonsignificant**Legal Authority:** 15 USC 1681 et seq**CFR Citation:** 12 CFR 222**Legal Deadline:** None

Abstract: In 1996, the Congress amended the Fair Credit Reporting Act (FCRA) as part of the Consumer Credit Reporting Reform Act. The amendments, among other things, prohibited the federal regulatory agencies from issuing implementing regulations. In November 1999, the Congress once again amended the FCRA as part of the Gramm-Leach-Bliley Act. The amendments lifted the prohibition and directed the Board, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Office of Thrift Supervision to issue implementing regulations jointly.

In October 2000, the agencies issued proposed regulations for public comment (65 FR 63120, October 20, 2000). The proposal is not expected to have a significant economic impact on a substantial number of small entities. Following review of the public comments, agency staff is considering a revised proposal.

On December 4, 2003, the President signed into law the Fair and Accurate Credit Transactions Act (FACT Act) Pub. L. 108-159, 117 Stat. 1952, which amends the Fair Credit Reporting Act. In general, the FACT Act contains provisions designed to enhance the ability of consumers to combat identity theft, increase the accuracy of consumer reports, and allow consumers to exercise greater control regarding the type and amount of marketing solicitations they receive. The FACT Act requires the Board to issue

regulations or guidelines to implement various provisions of the statute. Many of these actions must be undertaken jointly or in consultation with other federal agencies. Each rulemaking under the FACT Act is separately listed herein.

Timetable:

Action	Date	FR Cite
Board requested comment	10/20/00	65 FR 63120
Further Board action by	06/00/05	

Regulatory Flexibility Analysis**Required:** No**Government Levels Affected:** None**Federalism:** Undetermined

Agency Contact: David Stein, Senior Attorney, Federal Reserve System, Division of Consumer and Community Affairs
Phone: 202 452-3667

RIN: 7100-AC68

4121. • REGULATION: V — FAIR CREDIT REPORTING (DOCKET NUMBER: R-1188)
Priority: Substantive, Nonsignificant**Legal Authority:** 15 USC 1681 et seq**CFR Citation:** 12 CFR 222**Legal Deadline:** None

Abstract: On December 4, 2003, the President signed into law the Fair and Accurate Credit Transactions Act of 2003, (FACT Act), Pub. L. 108-159, 117 Stat. 1952, which amends the Fair Credit Reporting Act (FCRA). Section 411 of the FACT Act amends the FCRA to provide that a creditor may not obtain or use medical information in connection with any determination of a consumer's eligibility, or continued eligibility, for credit, except as permitted by regulations. The FACT Act requires the federal bank and thrift regulatory agencies to prescribe regulations that permit creditors to obtain and use medical information for eligibility purposes when necessary and appropriate to protect legitimate operational, transactional, risk, consumer, and other needs. The Act further requires that regulations creating these exceptions must be issued in final form within six months of the date of enactment of the FACT Act, or June 4, 2004.

Section 411 of the FACT Act also amends the FCRA to limit the ability

of creditors and others to share medical-related information with affiliates, except as permitted by the statute, regulation, or order.

In April 2004, the agencies plan to issue proposed regulations that would grant exceptions to allow creditors to obtain or use medical information in certain circumstances in connection with determinations of consumer eligibility for credit, as required by section 411. The proposed rules also would enumerate situations in which creditors would be permitted to share medical information among affiliates.

The proposed rules would be issued by the Board, Federal Deposit Insurance Corporation, National Credit Union Administration, Office of the Comptroller of the Currency, and Office of Thrift Supervision. The rules would amend each agency's rules of practice separately, but would be substantively identical.

Timetable:

Action	Date	FR Cite
Board requested comment	04/12/04	69 FR 19123
Board requested additional comment	04/28/04	69 FR 23380
Further Board action by	07/00/04	

Regulatory Flexibility Analysis**Required:** No**Small Entities Affected:** Businesses**Government Levels Affected:** Federal**Federalism:** Undetermined

Agency Contact: Krista DeLargy, Senior Attorney, Federal Reserve System, Division of Consumer and Community Affairs
Phone: 202 452-3667

RIN: 7100-AC91

4122. REGULATION: Y — BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL (DOCKET NUMBER: R-1091)
Priority: Substantive, Nonsignificant**Legal Authority:** 12 USC 1843**CFR Citation:** 12 CFR 225.86**Legal Deadline:** None

Abstract: In January 2001, the Board issued for public comment a proposed rule amending Regulation Y that would define real estate brokerage and real estate management activities as financial in nature or incidental to a

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financial activity and therefore permissible for financial holding companies under the Board's Regulation Y (66 FR 307, January 3, 2001). The proposal would facilitate the creation of diversified financial companies that can offer "one-stop shopping" to consumers contemplating the purchase or management of real estate. The proposal is not expected to have a significant economic impact on a substantial number of small business entities. Following review of the public comments, the Board will take further action.

Timetable:

Action	Date	FR Cite
Board requested comment	01/03/01	66 FR 307
Further Board action by	12/00/04	

Regulatory Flexibility Analysis Required: No**Government Levels Affected:** None**Federalism:** Undetermined

Agency Contact: Mark E. Van Der Weide, Counsel, Federal Reserve System, Legal Division
Phone: 202 452-2263

RIN: 7100-AC79

4123. REGULATION: Y — BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL (DOCKET NUMBER: R-1094)**Priority:** Substantive, Nonsignificant**Legal Authority:** 12 USC 1843**CFR Citation:** 12 CFR 225.86(e)**Legal Deadline:** None

Abstract: In December 2000, the Board, jointly with the Department of the Treasury, issued interim rules with request for public comment that implement section 4(k)(5) of the Bank Holding Company Act and section 5136A(b)(3) of the Revised Statutes, which were added by the Gramm-Leach-Bliley Act (66 FR 257, January 3, 2001). The interim rules specify three general types of activities to be financial in nature or incidental to a

financial activity, and create a mechanism by which financial holding companies, financial subsidiaries of national banks, or others may request that the Board or the Secretary of the Treasury, respectively, define particular activities within one of the three categories. Such activities would therefore be permissible for financial holding companies and financial subsidiaries of national banks. The rules are not expected to have a significant economic impact on a substantial number of small entities. Following review of the public comments, the Board will take further action.

Timetable:

Action	Date	FR Cite
Board requested comment	01/03/01	66 FR 257
Further Board action by	12/00/04	

Regulatory Flexibility Analysis Required: No**Government Levels Affected:** None**Federalism:** Undetermined

Agency Contact: Andrew S. Baer, Counsel, Federal Reserve System, Legal Division
Phone: 202 452-2246

RIN: 7100-AC81

4124. REGULATION: BB — COMMUNITY REINVESTMENT (DOCKET NUMBER: R-1112 AND R-1181) (SECTION 610 REVIEW)**Priority:** Substantive, Nonsignificant**Legal Authority:** 12 USC 290 et seq.**CFR Citation:** 12 CFR 228 et seq.**Legal Deadline:** None

Abstract: In 1995, the Board issued Regulation BB which implements the Community Reinvestment Act (CRA). Substantially similar regulations were issued by the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC), and the Office of Thrift Supervision (OTS). The goal of these regulations was to achieve more objective

performance-based CRA examinations and to minimize burden. At the time these regulations were issued, the agencies committed to conducting a 2002 comprehensive review of the regulations' effectiveness in achieving this goal.

In July 2001, the Board, the OCC, FDIC, and OTS issued an advance notice of proposed rulemaking (ANPR) (66 FR 37602, July 19, 2001). After reviewing the comments and the issues, the agencies issued a proposed rulemaking (NPR) (69 FR 5729, Feb. 6, 2004). The agencies proposed to amend their CRA regulations (Regulation BB, for the Board) to increase the number of institutions eligible for streamlined CRA examinations and clarify when an illegal or abusive credit practice by a bank or its affiliate will adversely affect the bank's CRA evaluation. Each agency certified that the proposal would reduce burden and would not raise costs for small financial institutions and, therefore, would not have a significant economic impact on a substantial number of small entities subject to the regulations. (69 FR at 5742) The comment period closed on April 6, 2004, and the agencies are reviewing the comments and considering their next steps.

Timetable:

Action	Date	FR Cite
Board requested comment	07/19/01	66 FR 37602
Board requested comment	02/06/04	69 FR 5729
Further Board action by	12/00/04	

Regulatory Flexibility Analysis Required: Yes**Small Entities Affected:** Businesses**Government Levels Affected:** None**Federalism:** Undetermined

Agency Contact: Dan Sokolov, Attorney, Federal Reserve System, Division of Consumer and Community Affairs
Phone: 202 452-2412

RIN: 7100-AC87

Federal Reserve System (FRS)

Completed Actions

4125. REGULATION: B — EQUAL CREDIT OPPORTUNITY; AND REGULATION: Z — TRUTH IN LENDING (DOCKET NUMBERS: R-1040 AND R-1043)**Priority:** Substantive, Nonsignificant**Legal Authority:** 15 USC 1601 et seq; 12 USC 4301 et seq**CFR Citation:** 12 CFR 202; 12 CFR 213; 12 CFR 226; 12 CFR 230**Legal Deadline:** None

Abstract: In March 1998 and September 1999, the Board issued for public comment proposed rules to permit the electronic delivery of Regulation B and Regulation Z disclosures, if the consumer agrees (63 FR 14548, March 25, 1998, and 64 FR 46988, September 14, 1999). The Board also issued similar proposed rules under other consumer financial services laws administered by the Board.

The Electronic Signatures in Global and National Commerce Act (E-Sign Act), which became effective October 1, 2000, generally governs the validity of records and signatures in electronic form. The E-Sign Act incorporated some elements of the Board's regulatory proposals governing electronic disclosures. Some provisions in the Board's proposals, however, were modified or preempted by the Act, while other provisions were not addressed by the E-Sign Act but were consistent with that Act and could be issued as final rules.

In March 2001, the Board issued interim final rules on the electronic delivery of disclosures (66 FR 17329, March 30, 2001, and 66 FR 17779, April 4, 2001). The scheduled mandatory compliance date was later lifted (66 FR 41439, August 8, 2001). Under the interim final rules, consistent with the requirements of the E-Sign Act, creditors generally must obtain consumers' affirmative consent to provide disclosures electronically. There are exceptions for certain disclosures. The interim final rules also establish uniform requirements for the timing and delivery of electronic disclosures. The March 2001 rulemakings were published as interim final rules to allow interested persons to present new information or views not considered in previous rulemakings. The rules are not expected to have a significant economic impact on a substantial number of small business entities.

Timetable:

Action	Date	FR Cite
Board issued proposed rules	03/25/98	63 FR 14548
Board issued revised proposed rules	09/14/99	64 FR 46988
Board issued interim final rule (Regulation Z)	03/30/01	66 FR 17329
Board issued interim final rule (Regulation B)	04/04/01	66 FR 17779
Board lifted mandatory compliance date	08/08/01	66 FR 41439
Further Board action not expected within the next six months	04/23/04	

Regulatory Flexibility Analysis Required: No**Government Levels Affected:** None

Agency Contact: Jane Jensen Gell, Manager, Fair Lending, Federal Reserve System, Division of Consumer and Community Affairs
Phone: 202 452-2412

RIN: 7100-AC46**4126. REGULATION: E — ELECTRONIC FUND TRANSFERS (DOCKET NUMBERS: R-0919 AND R-1041)****Priority:** Substantive, Nonsignificant**Legal Authority:** 15 USC 1693 et seq**CFR Citation:** 12 CFR 205**Legal Deadline:** None

Abstract: In March 1998 and September 1999, the Board issued for public comment an interim final rule and proposed rules under Regulation E to permit the electronic delivery of disclosures, if the consumer agrees (Docket Number: R-1002; 63 FR 14528, March 25, 1998 (interim rule), and Docket Number: R-1041; 64 FR 49699, September 14, 1999). The Board also issued similar proposed rules under other consumer financial services laws administered by the Board.

The Electronic Signatures in Global and National Commerce Act (E-Sign Act), which became effective October 1, 2000, generally provides that records and signatures may not be denied legal effect solely because they are in electronic form. The E-Sign Act incorporated some elements of the Board's regulatory proposal governing electronic disclosures. Certain provisions in the Board's proposal, however, were modified or preempted

by the Act, while other provisions were not addressed by the E-Sign Act but were consistent with the Act and could be issued as final rules.

In March 2001, the Board issued an interim final rule on the electronic delivery of disclosures (66 FR 17786, April 4, 2001). The scheduled mandatory compliance date was later lifted (66 FR 41439, August 8, 2001). Under the interim final rule, consistent with the requirements of the E-Sign Act, financial institutions generally must obtain consumers' affirmative consent to provide disclosures electronically. The interim final rule also establishes uniform requirements for the timing and delivery of electronic disclosures. The March 1998 interim rule was withdrawn under the interim final rule.

The March 2001 rulemaking was published as an interim final rule to allow interested persons to present new information or views not considered in previous rulemakings. The rule is not expected to have a significant economic impact on a substantial number of small business entities.

Timetable:

Action	Date	FR Cite
Board issued proposed rule on coverage of stored-value products & electronic delivery of disclosures	05/02/96	61 FR 19696
Board issued interim rule permitting electronic delivery of disclosures	03/25/98	63 FR 14528
Board issued proposed rule imposing additional requirements re: electronic delivery of disclosures	09/14/99	64 FR 49699
Board issued interim final rules	04/04/01	66 FR 17786
Board lifted mandatory compliance date of interim final rule	08/08/01	66 FR 41439
Further Board action not expected within the next six months	04/23/04	

Regulatory Flexibility Analysis Required: No**Government Levels Affected:** None

Agency Contact: Jane Jensen Gell, Manager, Fair Lending, Federal Reserve

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System, Division of Consumer and Community Affairs
Phone: 202 452-2412

RIN: 7100-AC06

4127. REGULATION: H — MEMBERSHIP OF STATE BANKING INSTITUTIONS IN THE FEDERAL RESERVE SYSTEM; AND REGULATION: Y — BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL (DOCKET NUMBER: R-0930)

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 36; 12 USC 248(a); 12 USC 248(c); 12 USC 321 to 338a; . . .

CFR Citation: 12 CFR 208 app A

Legal Deadline: None

Abstract: In August 1996, the Board issued for public comment a proposal to revise the risk-based capital treatment for certain collateralized transactions (61 FR 42565, August 16, 1996). Under the Board's existing risk-based capital treatment, the portion of a transaction that is supported by qualifying collateral (that is, cash or OECD government securities) is risk-weighted at 20 percent. Transactions that are fully supported by collateral with a positive margin may be eligible for a zero percent riskweight. Generally, the proposal would permit a portion of a transaction that is fully supported with a positive margin of collateral to be eligible for a zero percent risk weight. The portion that is to be continuously collateralized must be identified by the parties.

This proposal was developed on an interagency basis and, if adopted, would eliminate one of the substantive differences among the agencies with regard to the risk-based capital treatment for collateralized transactions. It would implement provisions in the Riegle Community Development and Regulatory Improvement Act of 1994, which requires the agencies to make uniform regulations and guidelines implementing common supervisory policies. The effect of the proposal would be to allow institutions to hold less capital for certain collateralized transactions. It is not expected to have a significant economic impact on a substantial number of small entities.

Following review of the public comments and development of an

interagency final rule, Board action is pending development of revised international standards for collateralization as part of the revision of Basel Accord.

Timetable:

Action	Date	FR Cite
Board requested comment	08/16/96	61 FR 42565
Further Board action not expected in the next six months	04/23/04	

Regulatory Flexibility Analysis Required: No

Government Levels Affected: None

Agency Contact: John Connolly, Supervisory Financial Analyst, Federal Reserve System, Division of Banking Supervision and Regulation
Phone: 202 452-3621

RIN: 7100-AC13

4128. REGULATION: M — CONSUMER LEASING (DOCKET NUMBER: R-1042)

Priority: Substantive, Nonsignificant

Legal Authority: 15 USC 1667

CFR Citation: 12 CFR 213

Legal Deadline: None

Abstract: In March 1998 and September 1999, the Board issued for public comment proposed rules under Regulation M, which implements the Consumer Leasing Act, to permit the electronic delivery of disclosures, if the consumer agrees (63 FR 14538, March 25, 1998 and 64 FR 49713, September 14, 1999). The Board also issued similar proposed rules under other consumer financial services regulations administered by the Board.

The Electronic Signatures in Global and National Commerce Act (E-Sign Act), which became effective October 1, 2000, generally governs the validity of records and signatures in electronic form. The E-Sign Act incorporated some elements of the Board's regulatory proposal governing electronic disclosures. Some provisions in the Board's proposal, however, were modified or preempted by the Act, while other provisions were not addressed by the E-Sign Act but were consistent with that Act and could be issued as final rules.

In March 2001, the Board issued an interim final rule on the electronic delivery of disclosures (66 FR 17322, March 30, 2001). The scheduled

mandatory compliance date was later lifted (66 FR 41439, August 8, 2001). Under the interim final rule, consistent with the requirements of the E-Sign Act, lessors generally must obtain consumers' affirmative consent to provide disclosures electronically. There are exceptions for disclosures not deemed to relate to "transactions," such as disclosures in advertising. The interim final rule also establishes uniform requirements for the timing and delivery of electronic disclosures.

The March 2001 rulemaking was published as an interim final rule to allow interested persons to present new information or views not considered in previous rulemakings. The rule is not expected to have a significant economic impact on a substantial number of small business entities.

Timetable:

Action	Date	FR Cite
Board issued proposed rule	03/25/98	63 FR 14538
Board issued revised proposed rule	09/14/99	64 FR 49713
Board issued interim final rule	03/30/01	66 FR 17322
Board lifted mandatory compliance date	08/08/01	66 FR 41439
Further Board action not expected within the next 6 months	04/23/04	

Regulatory Flexibility Analysis Required: No

Government Levels Affected: None

Agency Contact: Jane Ahrens, Senior Counsel, Federal Reserve System, Division of Consumer and Community Affairs

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RIN: 7100-AC53

4129. REGULATION: Y — BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL (DOCKET NUMBER: R-1092)

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 1843(k)

CFR Citation: 12 CFR 225.28; 12 CFR 225.89

Legal Deadline: None

Abstract: In December 2003, the Board adopted a final rule that expands the ability of all bank holding companies,

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including financial holding companies, to process, store, and transmit nonfinancial data in connection with their financial data processing, storage, and transmission activities (68 FR 68493, December 9, 2003). The Board decided not to adopt a rule that would authorize financial holding companies, as a complementary activity, to engage in a wider range of nonfinancial data processing, communications, and e-commerce related activities. The Board announced, however, that it would consider proposals by financial holding companies to engage in, or acquire a company engaged in, additional nonfinancial data processing information portal, and technology-related activities that the financial holding company believes are complementary to its financial activities on a case-by-case basis under section 4(j) of the Bank Holding Company Act. The final rule should allow bank holding companies to provide a wider range of data processing services to customers and would not have a significant economic impact on a substantial number of small entities.

Timetable:

Action	Date	FR Cite
Board requested comment	12/21/00	65 FR 80384
Board adopted proposal	12/09/03	68 FR 68493

Regulatory Flexibility Analysis

Required: Yes

Small Entities Affected: Businesses

Government Levels Affected: None

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RIN: 7100-AC82

4130. REGULATION: DD — TRUTH IN SAVINGS (DOCKET NUMBER: R-1044)

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 4301 et seq

CFR Citation: 12 CFR 230

Legal Deadline: None

Abstract: In March 1998 and September 1999, the Board issued for public comment proposed rules and an interim rule under Regulation DD, which implements the Truth in Savings Act (TISA), to permit the electronic delivery of disclosures, if the consumer agrees. The interim rule permits the electronic delivery of TISA disclosures provided on periodic statements. The Board also issued similar proposed rules under other consumer financial services laws administered by the Board.

The Electronic Signatures in Global and National Commerce Act (E-Sign Act), which became effective October 1, 2000, generally governs the validity of records and signatures in electronic form. The E-Sign Act incorporated some elements of the Board's regulatory proposal governing electronic disclosures. Certain provisions in the Board's proposal, however, were modified or preempted by the Act, while other provisions were not addressed by the E-Sign Act but were consistent with that Act and could be issued as final rules. In March 2001, the Board issued an interim final rule on the electronic delivery of disclosures. The scheduled mandatory compliance date was later lifted. Under the interim final rule, consistent with the requirements of the E-Sign Act, depository institutions generally must obtain consumers' affirmative consent to provide disclosures electronically. There are exceptions for disclosures not

deemed to relate to "transactions," such as disclosures in advertising. The interim final rule also establishes uniform requirements for the timing and delivery of electronic disclosures. The 1999 interim rule permitting electronic delivery of Regulation DD disclosures on periodic statements was withdrawn under the interim final rule.

The March 2001 rulemaking was published as an interim final rule to allow interested persons to present new information or views not previously considered. The rule is not expected to have a significant economic impact on a substantial number of small entities.

Timetable:

Action	Date	FR Cite
Board issued proposed rule	03/25/98	63 FR 14533
Board issued revised proposed rule and interim rule	09/14/99	64 FR 49740
Board issued interim final rule	04/04/01	66 FR 17795
Board lifted mandatory compliance date	08/08/01	66 FR 41439
Further Board action not expected within the next 6 months	04/23/04	

Regulatory Flexibility Analysis

Required: No

Government Levels Affected: None

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RIN: 7100-AC34

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