

RB 14 was rescinded 10/21/91 - Delegation Sections 563f.7 and 584.9.

Handbook: Application Processing  
Subject: Management Official Interlocks

Sections: 660, 930  
RB 14

July 19, 1989

# RESCINDED

## Delegation to Principal Supervisory Agent ("PSA's") to Grant or Withhold Approval of Management Interlocks

*Summary:* This Bulletin is being issued in response to Final Rules concerning management official interlocks, 89-1429 and 89-1430, dated May 11, 1989. In these Rules, the Board delegates to the PSA's authority to approve or disapprove applications concerning management official interlocks, except for those applications raising issues of law or policy or those that may establish precedents of national significance.

*For Further Information Contact:*  
The FHLBank District in which you are located or the Corporate Activities Division of the Office of Regulatory Activities, Washington, DC.

### *Regulatory Bulletin 14*

### General Policy

Under Final Rule 89-1429, the PSA's may grant or withhold exemptions (12 C.F.R. Section 563f.4) subject to

the following conditions. The PSA's may grant extensions under 12 C.F.R. Section 563f.6, provided the benefits of granting the extension outweigh the potential disruption caused by an earlier departure of management officials subject to the interlock regulations. For applications disapproved, the PSA shall give the applicant prompt written notice of the specific reasons for disapproval.

Applications filed pursuant to the delegations contained in Final Rules 89-1429 and 89-1430 are distinct from notices filed under Section 5 of the Management Interlocks Revision Act of 1988, which must be acted upon by the Board. Section 5 notices concern dual service by directors of diversified savings and loan holding companies.

Attachment



— Darrel W. Dochow, Executive Director

---

**Rules and Regulations**

Federal Register

Vol. 54, No. 96

Friday, May 19, 1989

---

---

**FEDERAL HOME LOAN BANK BOARD****12 CFR Part 563f****[No. 89-1429]****Management Official Interlocks**

Date: May 11, 1989.

**AGENCY:** Federal Home Loan Bank Board.**ACTION:** Final rule.

---

**SUMMARY:** The Federal Home Loan Bank Board ("Board"), as operating head of the Federal Savings and Loan Insurance

Corporation, is amending its regulations on management official interlocks by delegating to the Principal Supervisory Agent authority to grant or withhold approval to all applications for exemptions or extensions of time filed pursuant to 12 CFR 563f.4 and 563f.6, with the exception of those that present an issue of policy or law. This delegation will streamline the applications process and enable the Agency to respond more quickly and efficiently to applicants.

**EFFECTIVE DATE:** May 19, 1989.

**FOR FURTHER INFORMATION CONTACT:** Robyn Dennis, Financial Analyst, (202) 331-4572, Office of Regulatory Activities, 801 Seventeenth Street, NW., Washington, DC 20006.

**SUPPLEMENTARY INFORMATION:** The Board has previously delegated significant elements of its supervisory and examination functions to the Federal Home Loan Banks ("FHLBanks"), under the direction of the Principal Supervisory Agents. By establishing the Office of Regulatory Activities (Board Resolution No. 86-755), the Board determined that its purpose of improving the effectiveness of its examination and supervisory functions would be furthered.

As part of this organizational restructuring, the Board, upon consideration of a recommendation by the Office of Regulatory Activities, has determined that delegation of routine application decisions where criteria and standards are clear and definitive and that are currently performed by the Office of Regulatory Activities can be more efficiently and effectively carried out by relying on the existing expertise at the FHLBanks. As is its practice in granting delegations of authority, the Board reserves unto itself the right to decide applications that present significant issues of law or policy or would establish a precedent of national significance.

This delegation does not diminish the statutory responsibility of the Board to, through the Office of Regulatory Activities, oversee, control, and where necessary improve the functions of examination and supervision. It will, however, expedite delivery of decisions. Pursuant to 12 CFR 508.11 and 508.14, the Board finds that, because these amendments relate to rules of Board organization, procedure, and practice, notice and public comment are unnecessary, as is the 30-day delay of the effective date.

**List of Subjects in 12 CFR Part 563f**

Antitrust, Holding companies, Savings and loan associations.

Accordingly, the Federal Home Loan Bank Board hereby amends Part 563f, Subchapter D, Chapter V, of Title 12, Code of Federal Regulations, as set forth below.

**SUBCHAPTER D—FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION**

**PART 563f—MANAGEMENT OFFICIAL INTERLOCKS**

1. The authority for Part 563f is revised to read as follows and the authority citations located at the end of each paragraph are removed:

Authority: Sec. 5A, 47 Stat. 725 as added by sec. 1, 64 Stat. 236, as amended (12 U.S.C. 1425a); sec. 17, 47 Stat. 736, as amended (12 U.S.C. 1437); sec. 5, 48 Stat. 132, as amended (12 U.S.C. 1464); secs. 402-403, 407, 48 Stat. 1256-1257, 1260, as amended (12 U.S.C. 1725-1726, 1720); sec. 201, 92 Stat. 3672, as amended (12 U.S.C. 3201 et seq.); Reorg. Plan No. 3 of 3, 1943-1948 Comp., p. 1071.

2. Section 563f.7 is revised to read as follows:

**§ 563f.7 Delegation of authority to grant exemptions and extensions of time.**

The Principal Supervisory Agent or his designee may grant or withhold exemptions under § 563f.4 and extensions of time under § 563f.6, provided the exemption or extension request does not present a significant issue of law or policy and would not establish a precedent of national significance. Exemptions under any paragraph of § 563f.4 shall be granted under this delegated authority if all relevant conditions specified in that paragraph, if any, are met. Extensions under § 563f.6 shall be granted unless the Principal Supervisory Agent or his designee determines that the extension would be so contrary to the depository institutions as to outweigh the disruption caused by the earlier departure of management officials in interlocking relationships. For applications not approved, the PSA shall give the applicant prompt notice, in writing, citing the specific basis for disapproval. Applications made pursuant to this section should be submitted to the Principal Supervisory Agent of the district that has supervisory responsibility over the depository institution or depository holding company wherein the management official is, or would be, in a prohibited management interlock position.

By the Federal Home Loan Bank Board,  
John F. Ghizzoni,  
Assistant Secretary.

(FR Doc. 89-12022 Filed 5-18-89; 8:45 am)  
BILLING CODE 6720-01-01

**FEDERAL HOME LOAN BANK BOARD****12 CFR Part 584**

(No. 89-1430)

**Prohibited Acts**

Date: May 11, 1989.

**AGENCY:** Federal Home Loan Bank Board.**ACTION:** Final rule.

**SUMMARY:** The Federal Home Loan Bank Board ("Board"), as operating head of the Federal Savings and Loan Insurance Corporation ("FSLIC"), is amending its regulations on prohibited acts by expanding the authority delegated to the Supervisory Agent (SA) to include disapproval of applications filed pursuant to 12 CFR 584.9(d) for relief from the prohibitions contained in 12 CFR 584.9(b), Management Interlocks. This amendment will streamline the application process and expedite decision delivery.

**EFFECTIVE DATE:** May 24, 1989.

**FOR FURTHER INFORMATION CONTACT:** Robyn Dennis, Financial Analyst, (202) 331-4572, Office of Regulatory Activities, 801 Seventeenth Street, NW, Washington, DC 20006.

**SUPPLEMENTARY INFORMATION:** The Board has previously delegated significant elements of its supervisory and examination functions to the Federal Home Loan Banks ("FHLBanks") under the direction of the Principal Supervisory Agents. By establishing the Office of Regulatory Activities (Board Resolution No. 88-755), the Board determined that its purpose of improving the effectiveness of its examination and supervisory functions would be furthered.

As part of this organizational restructuring, the Board, upon consideration of a recommendation by the Office of Regulatory Activities, has determined that delegation of routine application decisions where criteria and standards are clear and definitive and that are currently performed by the Office of Regulatory Activities can be more efficiently and effectively carried out by relying on the existing expertise at the FHLBanks. As is its practice in granting any delegation of authority, the Board reserves unto itself the right to

decide any application that present issues of law or policy or would establish a precedent of national significance.

This delegation does not diminish the statutory responsibility of the Board to, through the Office of Regulatory Activities, oversee, control, and, where necessary, improve the functions of examination and supervision. Proposed legislation contained in the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 may affect or eliminate the provision restricting management interlocks for holding companies (12 U.S.C. 1730a). This delegation, in the interim, will expedite delivery of decisions in this area.

Pursuant to 12 CFR 508.11 and 508.14, the Board finds that, because these amendments relate to rules of Board organization, procedure, and practice, notice and public comment are unnecessary, as is the 30-day delay of the effective date.

**List of Subjects in 12 CFR Part 584**

Holding companies, Reporting and recordkeeping requirements, Savings and loan associations, Securities.

Accordingly, the Federal Home Loan Bank Board hereby amends Part 584, Subchapter F, Chapter V, of Title 12, Code of Federal Regulations, as set forth below.

**SUBCHAPTER F—REGULATIONS FOR SAVINGS AND LOAN HOLDING COMPANIES****PART 584—REGULATED ACTIVITIES**

1. The authority for Part 584 is revised to read as follows:

Authority: Sec. 5A, 47 Stat. 725, as added by sec. 1, 64 Stat. 256, as amended (12 U.S.C. 1425a); sec. 2, 48 Stat. 128, as amended (12 U.S.C. 1462); sec. 5, 48 Stat. 132, as amended (12 U.S.C. 1464); secs. 401-403, 405-407, 48 Stat. 1255-1257, 1259-1260, as amended (12 U.S.C. 1724-1728, 1728-1730); sec. 408, 82 Stat. 5, as amended (12 U.S.C. 1730a); Reorg. Plan No. 3 of 1947, 12 FR 4981, 3 CFR, 1943-1948 Comp., p. 1071.

2. Amend § 584.9 by revising paragraphs (d) and (e) to read as follows:

**§ 584.9 Prohibited acts.**

(d) Application for Corporation approval required by this section shall contain a full statement of the reasons in support thereof. Such applications shall be filed with the Corporation by transmitting the original and one copy to the Director, Office of Regulatory Activities, and one copy to the Supervisory Agent.

(e) Approval by the Supervisory Agent. The Supervisory Agent may grant

or withhold prior written approval for any management interlock requiring the Corporation's approval for examination or extension under paragraph (b) of this section, provided the exemption or extension request does not present an issue of law or policy and would not establish a precedent of national significance. Approval will be granted if (1) the interlock is not prohibited by Part 583f of this chapter, and (2) the Supervisory Agent determines the interlock would not be likely to have an anticompetitive effect and would not be objectionable on supervisory grounds. For applications not approved, the PSA shall give the applicant prompt notice, in writing, citing the specific basis for disapproval. Applications shall be filed with the Supervisory Agent of the district in which the principal office of the subsidiary insured institution that conducts the principal savings and loan business of such holding company is located.

By the Federal Home Loan Bank Board,  
John F. Ghizzoni,  
Assistant Secretary.  
(FR Doc. 89-12369 Filed 5-23-89; 8:45 am)  
BILLING CODE 6720-01-01