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Sent: Wednesday, September 24, 2003 3:04 PM
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Subject: EGRPRA

I apologize for the lateness of this comment.

Section 18 (c) (1) (C) of the FDI Act requires the FDIC to provide prior approval, through the application process, for any transfer of assets to any noninsured bank or institution in consideration of the assumption of liabilities for any portion of the deposits made in such insured depository institution. By definition in the Act, a noninsured bank or institution is one whose deposits are not insured by the FDIC. Therefore, when an insured financial institution, for example, sells a branch operation (including assets and deposits) to a credit union, which is insured by the National Credit Union Administration, it necessitates an application filing with the FDIC. This application does not appear to be necessary, as the National Credit Union Administration is also a quasi-government agency of the U.S. which insures deposit to a similar extent as the FDIC.

Russell S. Marshall