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INFORMATION
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Board determines that a NGEP has willfully failed to comply in a material way with §§ 207.6 or 207.7, the Board will notify the NGEP in writing of that determination and provide the NGEP a period of 90 days (or such longer period as the Board finds to be reasonable under the circumstances) to comply.

(2) If the NGEP does not comply within the time period established by the Board, the agreement shall thereafter be unenforceable by that NGEP by operation of section 48 of the Federal Deposit Insurance Act (12 U.S.C. 1831y).

(3) The Board may assist any insured depository institution or affiliate that is a party to a covered agreement that is unenforceable by a NGEP by operation of section 48 of the Federal Deposit Insurance Act (12 U.S.C. 1831y) in identifying a successor to assume the NGEP's responsibilities under the agreement.

(b) *Diversion of funds.* If a court or other body of competent jurisdiction determines that funds or resources received under a covered agreement have been diverted contrary to the purposes of the covered agreement for an individual's personal financial gain, the Board may take either or both of the following actions—

(1) Order the individual to disgorge the diverted funds or resources received under the agreement;

(2) Prohibit the individual from being a party to any covered agreement for a period not to exceed 10 years.

(c) *Notice and opportunity to respond.* Before making a determination under paragraph (a)(1) of this section, or taking any action under paragraph (b) of this section, the Board will provide written notice and an opportunity to present information to the Board concerning any relevant facts or circumstances relating to the matter.

(d) *Inadvertent or de minimis errors.* Inadvertent or de minimis errors in annual reports or other documents filed with the Board under §§ 207.6 or 207.7 will not subject the reporting party to any penalty.

(e) *Enforcement of provisions in covered agreements.* No provision of this part shall be construed as authorizing the Board to enforce the provisions of any covered agreement.

§ 207.10 Transition provisions.

(a) *Disclosure of covered agreements entered into before the effective date of this part.* The following disclosure requirements apply to covered agreements that were entered into after November 12, 1999, and that terminated before April 1, 2001.

(1) *Disclosure to the public.* Each NGEP and each insured depository institution or affiliate that was a party to the agreement must make the agreement available to the public under § 207.6 until at least April 1, 2002.

(2) *Disclosure to the relevant supervisory agency*—(i) Each NGEP that was a party to the agreement must make the agreement available to the relevant supervisory agency under § 207.6 until at least April 1, 2002.

(ii) Each insured depository institution or affiliate that was a party to the agreement must, by June 30, 2001, provide each relevant supervisory agency either—

(A) A copy of the agreement under § 207.6(d)(1)(i); or

(B) The information described in § 207.6(d)(1)(ii) for each agreement.

(b) *Filing of annual reports that relate to fiscal years ending on or before December 31, 2000.* In the event that a NGEP, insured depository institution or affiliate has any information to report under § 207.7 for a fiscal year that ends on or before December 31, 2000, and that concerns a covered agreement entered into between May 12, 2000, and December 31, 2000, the annual report for that fiscal year must be provided no later than June 30, 2001, to—

(1) Each relevant supervisory agency; or

(2) In the case of a NGEP, to an insured depository institution or affiliate that is a party to the agreement in accordance with § 207.7(f)(2).

§ 207.11 Other definitions and rules of construction used in this part.

(a) *Affiliate.* ''Affiliate'' means—

(1) Any company that controls, is controlled by, or is under common control with another company; and

(2) For the purpose of determining whether an agreement is a covered agreement under § 207.2, an ''affiliate'' includes any company that would be under common control or merged with

another company on consummation of any transaction pending before a Federal banking agency at the time—

(i) The parties enter into the agreement; and

(ii) The NGEP that is a party to the agreement makes a CRA communication, as described in § 207.3.

(b) *Control.* ''Control'' is defined in section 2(a) of the Bank Holding Company Act (12 U.S.C. 1841(a)).

(c) *CRA affiliate.* A ''CRA affiliate'' of an insured depository institution is any company that is an affiliate of an insured depository institution to the extent, and only to the extent, that the activities of the affiliate were considered by the appropriate Federal banking agency when evaluating the CRA performance of the institution at its most recent CRA examination prior to the agreement. An insured depository institution or affiliate also may designate any company as a CRA affiliate at any time prior to the time a covered agreement is entered into by informing the NGEP that is a party to the agreement of such designation.

(d) *CRA public file.* ''CRA public file'' means the public file maintained by an insured depository institution and described in § 228.43 of Regulation BB (12 CFR 228.43).

(e) *Executive officer.* The term ''executive officer'' has the same meaning as in § 215.2(e)(1) of the Board's Regulation O (12 CFR 215.2(e)(1)).

(f) *Federal banking agency; appropriate Federal banking agency.* The terms ''Federal banking agency'' and ''appropriate Federal banking agency'' have the same meanings as in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

(g) *Fiscal year.* (1) The fiscal year for a NGEP that does not have a fiscal year shall be the calendar year.

(2) Any NGEP, insured depository institution, or affiliate that has a fiscal year may elect to have the calendar year be its fiscal year for purposes of this part.

(h) *Insured depository institution.* ''Insured depository institution'' has the same meaning as in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

(i) *NGEP.* ''NGEP'' means a nongovernmental entity or person.

(j) *Nongovernmental entity or person*—(1) *General.* A ''nongovernmental entity or person'' is any partnership, association, trust, joint venture, joint stock company, corporation, limited liability corporation, company, firm, society, other organization, or individual.

(2) *Exclusions.* A nongovernmental entity or person does not include—

(i) The United States government, a state government, a unit of local government (including a county, city, town, township, parish, village, or other general-purpose subdivision of a state) or an Indian tribe or tribal organization established under Federal, state or Indian tribal law (including the Department of Hawaiian Home Lands), or a department, agency, or instrumentality of any such entity;

(ii) A federally-chartered public corporation that receives Federal funds appropriated specifically for that corporation;

(iii) An insured depository institution or affiliate of an insured depository institution; or

(iv) An officer, director, employee, or representative (acting in his or her capacity as an officer, director, employee, or representative) of an entity listed in paragraphs (i)(2)(i) through (iii) of this section.

(k) *Party.* The term ''party'' with respect to a covered agreement means each NGEP and each insured depository institution or affiliate that entered into the agreement.

(l) *Relevant supervisory agency.* The ''relevant supervisory agency'' for a covered agreement means the appropriate Federal banking agency for—

(1) Each insured depository institution (or subsidiary thereof) that is a party to the covered agreement;

(2) Each insured depository institution (or subsidiary thereof) or CRA affiliate that makes payments or loans or provides services that are subject to the covered agreement; and

(3) Any company (other than an insured depository institution or subsidiary thereof) that is a party to the covered agreement.

(m) *Term of agreement.* An agreement that does not have a fixed termination date is considered to terminate on the last date on which any party to the

agreement makes any payment or provides any loan or other resources under the agreement, unless the relevant supervisory agency for the agreement otherwise notifies each party in writing.

PART 208—MEMBERSHIP OF STATE BANKING INSTITUTIONS IN THE FEDERAL RESERVE SYSTEM (REGULATION H)

Sec.

208.1 Authority, purpose, and scope.
208.2 Definitions.
208.3 Application and conditions for membership in the Federal Reserve System.
208.4 Capital adequacy.
208.5 Dividends and other distributions.
208.6 Establishment and maintenance of branches.
208.7 Prohibition against use of interstate branches primarily for deposit production.

Subpart B—Investments and Loans

208.20 Authority, purpose, and scope.
208.21 Investments in premises and securities.
208.22 Community development and public welfare investments.
208.23 Agricultural loan loss amortization.
208.24 Letters of credit and acceptances.
208.25 Loans in areas having special flood hazards.

Subpart C—Bank Securities and Securities-Related Activities

208.30 Authority, purpose, and scope.
208.31 State member banks as transfer agents.
208.32 Notice of disciplinary sanctions imposed by registered clearing agency.
208.33 Application for stay or review of disciplinary sanctions imposed by registered clearing agency.
208.34 Recordkeeping and confirmation of certain securities transactions effected by State member banks.
208.35 Qualification requirements for transactions in certain securities. [Reserved]
208.36 Reporting requirements for State member banks subject to the Securities Exchange Act of 1934.
208.37 Government securities sales practices.

Subpart D—Prompt Corrective Action

208.40 Authority, purpose, scope, other supervisory authority, and disclosure of capital categories.
208.41 Definitions for purposes of this subpart.
208.42 Notice of capital category.
208.43 Capital measures and capital category definitions.
208.44 Capital restoration plans.
208.45 Mandatory and discretionary supervisory actions under section 38.

Subpart E—Real Estate Lending and Appraisal Standards

208.50 Authority, purpose, and scope.
208.51 Real estate lending standards.

Subpart F—Miscellaneous Requirements

208.60 Authority, purpose, and scope.
208.61 Bank security procedures.
208.62 Suspicious activity reports.
208.63 Procedures for monitoring Bank Secrecy Act compliance.
208.64 Frequency of examination.

Subpart G—Financial Subsidiaries of State Member Banks

208.71 What are the requirements to invest in or control a financial subsidiary?
208.72 What activities may a financial subsidiary conduct?
207.73 What additional provisions are applicable to state member banks with financial subsidiaries?
208.74 What happens if the state member bank or a depository institution affiliate fails to continue to meet certain requirements?
208.75 What happens if the state member bank or any of its insured depository institution affiliates receives less than a ''satisfactory'' CRA rating?
208.76 What Federal Reserve approvals are necessary for financial subsidiaries?
208.77 Definitions.

Subpart H—Consumer Protection in Sales of Insurance

208.81 Purpose and scope.
208.82 Definitions for purposes of this subpart.
208.83 Prohibited practices.
208.84 What you must disclose.
208.85 Where insurance activities may take place.
208.86 Qualification and licensing requirements for insurance sales personnel.
APPENDIX A TO SUBPART H—CONSUMER GRIEVANCE PROCESS

Subpart I—Interpretations

208.100 Sale of bank's money orders off premises as establishment of branch office.
208.101 Obligations concerning institutional customers.