

Procedure Act ("APA") do not apply to matters relating to "public property, loans, grants, or contracts." (5 U.S.C. 553(a)(2)) The daylight overdraft fee relates to "loans," in that the fee is for an extension of intraday credit by Federal Reserve Banks, and "contracts," in that the fee is part of an agreement between institutions and the Federal Reserve Banks for the provision of Reserve Bank payment services. Therefore, the APA does not require the Board to seek notice and comment on the fee revision.

Additionally, the Board finds for good cause that notice and comment on the fee revision is unnecessary, in accordance with 5 U.S.C. 553(b)(B). The Board originally adopted a policy, after notice and comment, to implement an annual fee of 48 basis points (equivalent to 20 basis points for a 10-hour Fedwire day) on April 13, 1995. The Board's action today will reduce the previously announced 1995 fee to an annual rate of 36 basis points (equivalent to 15 basis points for a 10-hour Fedwire day.) Because the Board's action reduces burden on affected institutions compared to the previously announced policy, the Board believes that seeking additional comment on this action is unnecessary.

#### VII. Policy Statement

The Board has adopted the following change in its policy statement that will replace paragraphs two and three of part (I)(B) in its "Federal Reserve Policy Statement on Payments System Risk" under headings "I. Federal Reserve Policy" and "B. Pricing":

The overdraft fee is 36 basis points (annual rate), quoted on the basis of a 24-hour day. To obtain the daily overdraft fee (annual rate) for the standard Fedwire operating day, the quoted 36-basis-point fee is multiplied by the fraction of a 24-hour day during which Fedwire is scheduled to operate. For example, under a 10-hour scheduled Fedwire operating day, the overdraft fee equals 15 basis points (36 basis points multiplied by 10/24). The 36-basis-point fee is effective April 13, 1995.

The 36-basis-point fee (times an operating hour fraction) will be in effect for at least two years. A change in the length of the scheduled Fedwire operating day would not change the effective fee because the fee is applied to average overdrafts which, in turn, would be deflated by the change in the operating day. The Board will evaluate the desirability of an increase in the daylight overdraft fee, based on the objectives of the payments system risk program, two years after the implementation of the 36-basis-point

fee. Any changes in the fee resulting from that review will be announced with a reasonable lead-time for implementation.

By order of the Board of Governors of the Federal Reserve System, March 2, 1995.

William W. Wiles,

*Secretary of the Board.*

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#### **Brill Bancshares, Inc., et al.; Formations of; Acquisitions by; and Mergers of Bank Holding Companies**

The companies listed in this notice have applied for the Board's approval under section 3 of the Bank Holding Company Act (12 U.S.C. 1842) and § 225.14 of the Board's Regulation Y (12 CFR 225.14) to become a bank holding company or to acquire a bank or bank holding company. The factors that are considered in acting on the applications are set forth in section 3(c) of the Act (12 U.S.C. 1842(c)).

Each application is available for immediate inspection at the Federal Reserve Bank indicated. Once the application has been accepted for processing, it will also be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing to the Reserve Bank or to the offices of the Board of Governors. Any comment on an application that requests a hearing must include a statement of why a written presentation would not suffice in lieu of a hearing, identifying specifically any questions of fact that are in dispute and summarizing the evidence that would be presented at a hearing.

Unless otherwise noted, comments regarding each of these applications must be received not later than March 31, 1995.

A. Federal Reserve Bank of Minneapolis (James M. Lyon, Vice President) 250 Marquette Avenue, Minneapolis, Minnesota 55480:

1. *Brill Bancshares, Inc.*, Brill, Wisconsin; to become a bank holding company by acquiring 80.11 percent of the voting shares of Brill State Bank, Brill, Wisconsin.

2. *First Community Bank Group, Inc.*, and *Todd County Agency, Inc.*, both of Hopkins, Minnesota; to acquire a total of 100 percent of the voting shares of Citizens State Bank of Barrett, Barrett, Minnesota.

Board of Governors of the Federal Reserve System, March 1, 1995.

Jennifer J. Johnson,

*Deputy Secretary of the Board.*

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#### **First Farmers Bancshares, Inc.; Notice of Application to Engage de novo in Permissible Nonbanking Activities**

The company listed in this notice has filed an application under § 225.23(a)(1) of the Board's Regulation Y (12 CFR 225.23(a)(1)) for the Board's approval under section 4(c)(8) of the Bank Holding Company Act (12 U.S.C. 1843(c)(8)) and § 225.21(a) of Regulation Y (12 CFR 225.21(a)) to commence or to engage *de novo*, either directly or through a subsidiary, in a nonbanking activity that is listed in § 225.25 of Regulation Y as closely related to banking and permissible for bank holding companies. Unless otherwise noted, such activities will be conducted throughout the United States.

The application is available for immediate inspection at the Federal Reserve Bank indicated. Once the application has been accepted for processing, it will also be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the question whether consummation of the proposal can "reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices." Any request for a hearing on this question must be accompanied by a statement of the reasons a written presentation would not suffice in lieu of a hearing, identifying specifically any questions of fact that are in dispute, summarizing the evidence that would be presented at a hearing, and indicating how the party commenting would be aggrieved by approval of the proposal.

Comments regarding the application must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than March 21, 1995.

A. Federal Reserve Bank of Atlanta (Zane R. Kelley, Vice President) 104 Marietta Street, N.W., Atlanta, Georgia 30303:

1. *First Farmers Bancshares, Inc.*, Portland, Tennessee; to engage *de novo* through its subsidiary Tennessee Business and Industrial Development