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DEPARTMENT OF THE TREASURY

Office of the Comptroller of the Currency

12 CFR Part 35

[Docket No. 95-08]

RIN 1557-AB44

Agricultural Loan Loss Amortization

AGENCY: Office of the Comptroller of the Currency, Treasury.

ACTION: Final rule.

SUMMARY: The Office of the Comptroller of the Currency (OCC) is removing its rule governing agricultural loan loss amortization, effective January 1, 1999. This action is another component of the OCC's Regulation Review Program, which is intended to update and streamline OCC regulations and to reduce unnecessary regulatory costs and other burdens. This action is needed to eliminate the rule when it becomes obsolete.

EFFECTIVE DATE: January 1, 1999.

FOR FURTHER INFORMATION CONTACT: Andrew T. Gutierrez, Attorney, Legislative and Regulatory Activities Division, Office of the Comptroller of the Currency, 250 E Street, SW., Washington, DC 20219, (202) 874-5090.

SUPPLEMENTARY INFORMATION:

Background

The OCC is removing 12 CFR part 35, effective January 1, 1999, as a component of its Regulation Review Program. The goal of the Regulation Review Program is to review all of the OCC's rules to revise, streamline, and simplify them, and to eliminate provisions that do not contribute significantly to maintaining the safety and soundness of national banks or to accomplishing the OCC's other statutory responsibilities.

Title VIII of the Competitive Equality Banking Act of 1987, Pub. L. 100-86, 101 Stat. 635 (1987), added 12 U.S.C. 1823(j) in an attempt to alleviate some of the financial pressures then facing agricultural banks. In particular, 12 U.S.C. 1823(j) permits an agricultural bank to amortize over a period not to exceed seven years: (1) any loss on a qualified agricultural loan that the bank would otherwise be required to show on its annual financial statement for any year between December 31, 1983, and January 1, 1992; and (2) any loss resulting from the reappraisal of property that the bank owned or acquired between January 1, 1983, and January 1, 1992, in connection with a qualified agricultural loan. The OCC implemented this statutory provision by promulgating 12 CFR part 35 with a temporary rule published on November 2, 1987 (52 FR 41959), and a final rule published on July 28, 1988 (53 FR 28373).

Because the statute requires that a loss occur on or before December 31, 1991, to qualify, and that the amortization period may not exceed seven years, the program becomes obsolete on January 1, 1999. Reflecting this fact, 12 CFR 35.3(b) requires that loans under the program must be fully amortized by December 31, 1998.

On February 8, 1995, the OCC proposed to remove 12 CFR part 35, effective January 1, 1999, in order to obviate the need for regulatory action in the future (60 FR 7467). The OCC received two comment letters on the proposed rule, both of which supported the proposed action. Consequently, the OCC is issuing this final rule to remove 12 CFR part 35, effective January 1, 1999. Prior to that date, an annotation to 12 CFR part 35 will indicate the effective date for removal of the part.

Regulatory Flexibility Act

It is hereby certified that this final rule will not have a significant economic impact on a substantial number of small entities. Accordingly, a regulatory flexibility analysis is not required. This final rule has no material impact on national banks, regardless of size.

Executive Order 12866

The OCC has determined that this final rule is not a significant regulatory action under Executive Order 12866.

Paperwork Reduction Act

The collection of information contained in 12 CFR 35.7 has been approved by the Office of Management and Budget (OMB) under OMB Control Number 1557-0186. This final rule will remove as unnecessary, for the reasons set forth in the preamble, that collection of information effective January 1, 1999.

Unfunded Mandates Act of 1995

The OCC has determined that this final rule will not result in expenditures by state, local, and tribal governments, or by the private sector, of more than \$100 million in any one year. Accordingly, a budgetary impact statement is not required under section 202 of the Unfunded Mandates Act of 1995.

List of Subjects in 12 CFR Part 35

Accounting, Agriculture, National banks, Reporting and recordkeeping requirements.

Authority and Issuance

For the reasons set out in the preamble, and under the authority of 12 U.S.C. 93a and 1823(j), chapter I of title 12 of the Code of Federal Regulations is amended as follows:

PART 35—[REMOVED]

1. Part 35 is removed effective January 1, 1999.

Dated: May 18, 1995.

Eugene A. Ludwig,
Comptroller of the Currency.

[FR Doc. 95-12648 Filed 5-23-95; 8:45 am]

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FARM CREDIT ADMINISTRATION

12 CFR Parts 614, 615, and 618

RIN 3052-AB53

Loan Policies and Operations; Funding and Fiscal Affairs, Loan Policies and Operations, and Funding Operations; General Provisions; Effective Date

AGENCY: Farm Credit Administration.

ACTION: Notice of effective date.

SUMMARY: The Farm Credit Administration (FCA) published a final regulation under parts 614, 615, 618 on April 24, 1995 (60 FR 20008). The final regulation repeals several regulations