

national bank to extend credit for the purpose of protecting personal property that secures a loan from the bank.

List of Subjects in 12 CFR Part 32

National banks, Reporting and recordkeeping requirements.

Authority and Issuance

For the reasons set out in the preamble, part 32 of chapter I of title 12 of the Code of Federal Regulations is proposed to be amended as set forth below:

PART 32—LENDING LIMITS

1. The authority citation for part 32 continues to read as follows:

Authority: 12 U.S.C. 1 *et seq.*, 84, and 93a.

2. In § 32.2, paragraphs (b) and (j)(2)(i) are revised to read as follows:

§ 32.2 Definitions.

* * * * *

(b) *Capital and surplus* means—

(1) A bank's Tier 1 and Tier 2 capital calculated under the OCC's risk-based capital standards set out in Appendix A to part 3 of this chapter as reported in the bank's Consolidated Report of Condition and Income as filed under 12 U.S.C. 161; plus

(2) The balance of a bank's allowance for loan and lease losses not included in the bank's Tier 2 capital, for purposes of the calculation of risk-based capital under Appendix A to part 3 of this chapter, as reported in the bank's Consolidated Report of Condition and Income as filed under 12 U.S.C. 161.

* * * * *

(j) * * *

(2) * * *

(i) Additional funds advanced for the benefit of a borrower by a bank for payment of taxes, insurance, utilities, security, and maintenance and operating expenses to the extent necessary to preserve real or personal property securing the loan, consistent with safe and sound banking practices, but only if the advance is for the protection of the bank's interest in the collateral, and provided that such amounts must be treated as an extension of credit if a new loan or extension of credit is made to the borrower;

* * * * *

§ 32.3 [Amended]

3. Paragraph (c)(4)(ii)(B) of § 32.3 is amended in the last sentence by removing the term "take over" and adding in lieu thereof "pay on the obligation".

4. Paragraph (c)(6)(ii)(B) of § 32.3 is amended by adding the word "periodically" before the word "revalue".

5. Section 32.4 is revised to read as follows:

§ 32.4 Calculation of lending limits.

(a) *Calculation date.* For purposes of determining compliance with 12 U.S.C. 84 and this part, a bank shall determine its lending limit as of the most recent of the following dates—

(1) The last day of the preceding calendar quarter; or

(2) The date on which there is a change in the bank's capital category for purposes of 12 U.S.C. 1831o and § 6.3 of this chapter.

(b) *Effective date.* (1) A bank's lending limit calculated in accordance with paragraph (a)(1) of this section will be effective as of the earlier of the following dates—

(i) The date on which the bank's Consolidated Report of Condition and Income (Call Report) is submitted; or

(ii) The date on which the bank's Call Report is required to be submitted.

(2) A bank's lending limit calculated in accordance with paragraph (a)(2) of this section will be effective on the date that the limit is to be calculated.

(c) *More frequent calculations.* If the OCC determines for safety and soundness reasons that a bank should calculate its lending limit more frequently than required by paragraph (a) of this section, the OCC may provide written notice to the bank directing the bank to calculate its lending limit at a more frequent interval, and the bank shall thereafter calculate its lending limit at that interval until further notice.

Dated: June 24, 1996.

Eugene A. Ludwig,

Comptroller of the Currency.

[FR Doc. 96-18021 Filed 7-16-96; 8:45 am]

BILLING CODE 4810-33-P

FEDERAL RESERVE SYSTEM

12 CFR Part 205

[Regulation E; Docket No. R-0919]

Electronic Fund Transfers

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Proposed rule; Extension of comment period.

SUMMARY: On May 2, 1996, the Board requested comment on a proposal to amend Regulation E, which implements the Electronic Fund Transfer Act, to address the use of electronic communication in home-banking services for providing disclosures and other documentation; error resolution procedures for new accounts; and the treatment of stored-value cards (imposing modified Regulation E

requirements on stored-value products in systems that track individual transactions, cards, or consumers; providing an exemption for cards on which a maximum value of \$100 can be stored; and providing that other stored-value cards are not covered by Regulation E). In response to requests for an extension of the comment period, the Secretary of the Board, acting pursuant to delegated authority, has extended the comment period from August 1, 1996, to September 6, 1996, to give the public additional time to provide comments.

DATES: Comments must be received on or before September 6, 1996.

ADDRESSES: Comments should refer to Docket No. R-0919 and be mailed to William W. Wiles, Secretary, Board of Governors of the Federal Reserve System, Washington, DC 20551. They may also be delivered to the guard station in the Eccles Building Courtyard on 20th Street, N.W. (between Constitution Avenue and C Street) between 8:45 a.m. and 5:15 p.m. weekdays. Except as provided in the Board's rules regarding the availability of information (12 CFR 261.8), comments will be available for inspection and copying by members of the public in the Freedom of Information Office, Room MP-500 of the Martin Building, between 9:00 a.m. and 5:00 p.m. weekdays.

FOR FURTHER INFORMATION CONTACT: Regarding the proposed amendments on electronic communications, Michael Hentrel, Staff Attorney, and regarding the other proposed amendments, Jane Jensen Gell, Natalie Taylor, or Obrea Poindexter, Staff Attorneys, Division of Consumer and Community Affairs, at (202) 452-3667 or (202) 452-2412. For the hearing impaired *only*, Telecommunications Device for the Deaf (TDD), Dorothea Thompson, at (202) 452-3544.

SUPPLEMENTARY INFORMATION: The Board is extending the comment period on the proposed amendments to Regulation E (Electronic Fund Transfers) published on May 2, 1996 at 61 FR 19696 to give the public additional time to comment on the proposal.

By order of the Secretary of the Board, acting pursuant to delegated authority for the Board of Governors of the Federal Reserve System, July 10, 1996.

William W. Wiles,

Secretary of the Board.

[FR Doc. 96-18011 Filed 7-16-96; 8:45 am]

BILLING CODE 6210-01-P