

FDIC: Marc J. Goldstrom, Counsel, (202/898-8807), Legal Division, 550-17th St., N.W., Washington, D.C. 20429.
OTS: Richard Blanks, (202/906-7037), Counsel (Banking and Finance), Office of Thrift Supervision, 1700 G Street, N.W., Washington, D.C. 20552.

SUPPLEMENTARY INFORMATION: "NOW accounts" are, in essence, interest-bearing checking accounts. Federal law expressly authorizes depository institutions to offer such accounts:

* * * [A] depository institution is authorized to permit the owner of a deposit or account on which interest or dividends are paid to make withdrawals by negotiable or transferable instruments for the purpose of making transfers to third parties.
 12 U.S.C. 1832(1).¹

At first, Congress only allowed such withdrawals to be made in Massachusetts and New Hampshire. Act of August 16, 1973, Public Law 93-100, section 2, 87 Stat. 342. Congress extended this permission to other states over the next several years. Act of February 27, 1976, Public Law 94-222, section 2, 90 Stat. 197 (Connecticut, Rhode Island, Maine, and Vermont); Financial Institutions Regulatory and Interest Rate Control Act of 1978, Public Law 95-630, section 1301, 92 Stat. 3641, 3712 (1978) (New York); Act of December 28, 1979, Public Law 96-161, section 106, 93 Stat. 1233, 1235 (New Jersey). Congress finally discarded geographic restrictions entirely, effective December 31, 1980. See Depository Institutions Deregulation and Monetary Control Act of 1980, Public Law 96-221, section 303, 94 Stat. 132, 146 (1980).

During these years, the various Agencies had well-established and long-standing rules governing the advertising of interest paid on deposits. See Regulation Q, 12 CFR 217.6 (1980) (issued by the FRB, and applicable to all member banks, including national banks); *id.* § 329.8 (issued by the FDIC, and applicable to insured state nonmember banks); *id.* § 526.6 (issued by the Federal Home Loan Bank Board, and applicable to any member of a Federal Home Loan Bank, except an FDIC-insured savings bank, or an institution in Guam) and § 563.27 (issued by the Federal Savings and Loan Insurance Corporation, and applicable to all institutions insured by that entity).

The Statement says that it is intended to "remind" depository institutions that, when they advertise the interest-rates that they pay on NOW accounts, they

must comply with these rules. 45 FR 67464 (1980).

This aspect of the Statement has become obsolete. Congress has adopted the Truth-In-Savings Act (TISA). Federal Deposit Insurance Corporation Improvement Act of 1991, Public Law 102-242, 261-74, 105 Stat. 2236, 2334-43 (Dec. 19, 1991); 12 U.S.C. 4301-13. The TISA prescribes statutory requirements for the advertisement and payment of interest on deposits, and calls for the FRB to issue any necessary regulations. 12 U.S.C. 4308. The FRB has responded by adopting Regulation DD, 12 CFR part 230. See 57 FR 43337 (1992).

The Agencies have acknowledged that Regulation DD has superseded their own advertising rules, and have therefore rescinded them. See *id.* 43336 (removing the advertising provisions of Regulation Q); 58 FR 4308 (removing all but the most general advertising regulations of the Office of Thrift Supervision); 58 FR 27921 (1993) (repealing the FDIC's advertising regulation).

The Statement also provides advice regarding the advance promotion and advertisement of NOW accounts by depository institutions that received NOW account authority for the first time on December 31, 1980. The Statement is obsolete in this respect as well.

The Agencies' Action

The Agencies hereby withdraw the Statement.

Dated: July 26, 1996.
 Joe M. Cleaver,
Executive Secretary, Federal Financial Institutions Examination Council.
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FEDERAL RESERVE SYSTEM

Formations of, Acquisitions by, and Mergers of Bank Holding Companies

The companies listed in this notice have applied to the Board for approval, pursuant to the Bank Holding Company Act of 1956 (12 U.S.C. 1841 *et seq.*) (BHC Act), Regulation Y (12 CFR Part 225), and all other applicable statutes and regulations to become a bank holding company and/or to acquire the assets or the ownership of, control of, or the power to vote shares of a bank or bank holding company and all of the banks and nonbanking companies owned by the bank holding company, including the companies listed below.

The applications listed below, as well as other related filings required by the Board, are 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 standards enumerated in the BHC Act (12 U.S.C. 1842(c)). If the proposal also involves the acquisition of a nonbanking company, the review also includes whether the acquisition of the nonbanking company complies with the standards in section 4 of the BHC Act, including whether the acquisition of the nonbanking company 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" (12 U.S.C. 1843). Any request for a hearing 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. Unless otherwise noted, nonbanking activities will be conducted throughout the United States.

Unless otherwise noted, comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than August 26, 1996.

A. Federal Reserve Bank of Cleveland (R. Chris Moore, Senior Vice President) 1455 East Sixth Street, Cleveland, Ohio 44101:

1. *Merchants Bancorp, Inc.*, Hillsboro, Ohio; to become a bank holding company by acquiring 100 percent of the voting shares of Merchants National Bank, Hillsboro, Ohio.

2. *Wesbanco, Inc.*, Wheeling, West Virginia; to acquire 100 percent of the voting shares of Vandalia National Corporation, Morgantown, West Virginia and thereby indirectly acquire The National Bank of West Virginia, Morgantown, West Virginia.

Board of Governors of the Federal Reserve System, July 29, 1996.

Jennifer J. Johnson,

Deputy Secretary of the Board.

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¹ The authorization only applies to certain accounts, however: namely, those that belong to natural persons, to nonprofit organizations, and to public units. See 12 U.S.C. 1832(2).