

Proposed Rules

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This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

DEPARTMENT OF THE TREASURY

Office of Thrift Supervision

12 CFR Part 575

[No. 96-105]

RIN 1550-AB04

Mutual Savings and Loan Holding Companies

AGENCY: Office of Thrift Supervision, Treasury.

ACTION: Advance notice of proposed rulemaking.

SUMMARY: The Office of Thrift Supervision (OTS), is issuing this advance notice of proposed rulemaking to solicit comments on amending the regulations regarding Mutual Savings and Loan Holding Companies to permit the establishment of a mutual holding company ("MHC") structure that includes an intermediate stock holding company. The OTS will consider the comments received in determining whether to proceed with the development of a proposed rule to permit the formation of intermediate stock holding companies by MHCS. The OTS solicits comments on the specific questions set forth below and on all aspects of permitting MHCs to form intermediate holding companies.

DATES: Comments must be received on or before December 13, 1996.

ADDRESSES: Send comments to Manager, Dissemination Branch, Records Management and Information Policy, Office of Thrift Supervision, 1700 G Street, NW., Washington, D.C. 20552, Attention Docket No. 96-105. These submissions may be hand-delivered to 1700 G Street, NW., from 9:00 A.M. to 5:00 P.M. on business days; they may be sent by facsimile transmission to FAX Number (202) 906-7755. Comments will be available for inspection at 1700 G Street, NW., from 9:00 A.M. until 4:00 P.M. on business days.

FOR FURTHER INFORMATION CONTACT: James H. Underwood, Special Counsel (202/906-7354), Dwight C. Smith,

Deputy Chief Counsel (202/906-6990), Business Transactions Division, Chief Counsel's Office; Gary Masters, Financial Analyst (202/906-6729), Corporate Activities Division, Office of Thrift Supervision, 1700 G Street, NW., Washington, D.C. 20552.

SUPPLEMENTARY INFORMATION: The OTS has received several inquiries from MHCs and mutual savings associations contemplating conversion to stock and reorganization into MHC form concerning whether an MHC can form an intermediate state-chartered stock holding company to hold the stock of its insured savings association subsidiary. The MHC would hold at least a majority of the stock of the intermediate holding company. The intermediate holding company could issue a minority of its shares of stock to the public and would hold 100% of the stock of the insured savings association subsidiary. The intermediate holding company would be a state-chartered corporation, unlike the MHC, which has a federal charter.

Under current mutual holding company regulations (12 CFR part 575), a mutual savings association may reorganize into a MHC by forming a stock savings association which assumes the liabilities and assets of the mutual savings association and issues at least a majority of its stock to the MHC. Depositors of the mutual association continue to maintain a deposit-creditor relationship with the stock savings association subsidiary while retaining their other indicia of ownership, *eq.*, voting rights, liquidation rights, with the MHC. The stock savings association subsidiary may issue up to 49 percent of its shares to the public.

In a previous legal opinion, the OTS' staff declined to concur with a request to permit the formation of a multi-tier mutual holding company structure. Upon further consideration of this issue, the OTS has determined to solicit comments from the public on whether Section 10(o) of the Home Owners Loan Act and the regulations promulgated thereunder should be read to permit the formation of a multi-tier mutual holding company structure, and if so, what restrictions should apply to such a structure.

Entities interested in forming multi-tier MHCs have indicated that the primary purpose is to permit the intermediate stock holding company, which would issue shares to minority

stock holders, to engage in a stock repurchase program without the potential negative tax consequences that would ensue if such a program were engaged in by the insured savings association subsidiary. Under the current MHC regulations, 12 CFR 575.11(c), a savings association subsidiary is permitted to engage in a stock repurchase program subject to certain restrictions. It is the OTS' current view that the current repurchase restrictions at § 575.11(c) would apply to the intermediate holding company.

Entities seeking to form a multi-tier mutual holding company structure also have suggested other reasons for its creation: the presence of an intermediate stock holding company would facilitate acquisitions; and the intermediate holding company may have greater powers than the MHC.

Questions on Which Comment is Sought

The OTS is hereby requesting comment during a 30-day comment period on the following questions and issues:

(1) Assuming the mutual holding company statute and the OTS' implementing regulations can be read to permit the formation of an intermediate stock holding company, should that holding company be subject to the same activities limitations as a MHC or may it be treated as a unitary savings and loan holding company?

(2) The MHC regulations impose various restrictions and limitations on the MHC and the savings association subsidiary of the MHC. These limitations include restrictions on pledges of the subsidiary savings association's stock by a MHC, waiver of dividends, and limitations on indemnification and employment contracts. It is not clear that these restrictions would be directly applicable to the intermediate stock holding company. Should these restrictions be applicable to an intermediate stock holding company in the same manner in which they are applicable to the MHC? Commenters should discuss any reasons for not applying the restrictions and the consequences of such.

(3) Should the intermediate stock holding company be required to obtain the approval of the OTS prior to issuing any debt or equity security to any person other than its parent MHC? Should a subsidiary stock thrift be able to issue minority voting stock or other

classes of securities? If so, under what circumstances? How should any such stock be treated in a conversion of the MHC to stock form?

(4) The OTS is the sole chartering authority for MHCs that are subject to part 575. Since both the parent MHC and the savings association subsidiary of an intermediate holding company are chartered by the OTS as special limited purpose corporations, to what extent should the charter and bylaws (and any amendments) of the intermediate holding company be subject to review and approval by the OTS? Should the OTS require that provisions of the intermediate company's charter be consistent with the Federal MHC charter?

(5) The savings association subsidiary of a MHC is subject to various restrictions on stock issuances, including a requirement that all stock issuances generally be structured in a manner that is similar to a stock conversion offering under 12 CFR part 563b. Should these restrictions also be applicable to the intermediate holding company? If not, why not? Should all other provisions of 12 CFR part 575 governing minority stock issuances be applicable to minority stock issuances by intermediate holding companies? If not, why not?

(6) What are the consequences to the MHC of permitting the intermediate holding company to retain capital generated by the savings association subsidiary?

(7) Other than permitting stock repurchases and, perhaps, facilitating acquisitions and expanding the powers in the MHC structure, are there other reasons for creating a multi-tier structure? Commenters should identify any additional potential benefits of a multi-tier holding company structure and address any necessary regulatory changes that would facilitate the use of the multi-tier structure consistent with the MHC statute.

Dated: November 1, 1996.

By the Office of Thrift Supervision.

Nicolas P. Retsinas,

Director.

[FR Doc. 96-28989 Filed 11-12-96; 8:45 am]

BILLING CODE 6720-01-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 92-CE-25-AD]

RIN 2120-AA64

Airworthiness Directives; Avions Pierre Robin Model R2160 Airplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: This document proposes to adopt a new airworthiness directive (AD) that would apply to Avions Pierre Robin Model R2160 airplanes. The proposed action would require repetitively inspecting the weld area between the strut and the lower plate of the nose landing gear leg for cracks, and replacing the strut when cracks are found. The proposed AD is the result of several reports of cracks in the weld securing the nose wheel steering bottom bracket to the nose landing gear leg on the affected airplanes. The actions specified by the proposed AD are intended to prevent nose landing gear failure caused by cracks in the weld area between the strut and the lower plate of the nose landing gear leg, which could result in loss of control of the airplane during landing operations.

DATES: Comments must be received on or before January 31, 1997.

ADDRESSES: Submit comments in triplicate to the Federal Aviation Administration (FAA), Central Region, Office of the Assistant Chief Counsel, Attention: Rules Docket No. 92-CE-25-AD, Room 1558, 601 E. 12th Street, Kansas City, Missouri 64106. Comments may be inspected at this location between 8 a.m. and 4 p.m., Monday through Friday, holidays excepted.

Service information that applies to the proposed AD may be obtained from Avions Pierre Robin, 1, Route de Troyes, 21121 Darois France; telephone: 80 35 61 01; facsimile: 80 35 60 80. This information also may be examined at the Rules Docket at the address below.

FOR FURTHER INFORMATION CONTACT: Mr. Greg Holt, Program Manager, Brussels Aircraft Certification Division, FAA, Europe, Africa, and Middle East Office, c/o American Embassy, B-1000 Brussels, Belgium; telephone (32 2) 513.2692; facsimile (32 2) 230.6899; or Mr. Roman T. Gabrys, Project Officer, Small Airplane Directorate, Aircraft Certification Office, FAA, 1201 Walnut, suite 900, Kansas City, Missouri 64106;

telephone (816) 426-6934; facsimile (816) 426-2169.

SUPPLEMENTARY INFORMATION:

Comments Invited

Interested persons are invited to participate in the making of the proposed rule by submitting such written data, views, or arguments as they may desire. Communications should identify the Rules Docket number and be submitted in triplicate to the address specified above. All communications received on or before the closing date for comments, specified above, will be considered before taking action on the proposed rule. The proposals contained in this notice may be changed in light of the comments received.

Comments are specifically invited on the overall regulatory, economic, environmental, and energy aspects of the proposed rule. All comments submitted will be available, both before and after the closing date for comments, in the Rules Docket for examination by interested persons. A report that summarizes each FAA-public contact concerned with the substance of this proposal will be filed in the Rules Docket.

Commenters wishing the FAA to acknowledge receipt of their comments submitted in response to this notice must submit a self-addressed, stamped postcard on which the following statement is made: "Comments to Docket No. 92-CE-25-AD." The postcard will be date stamped and returned to the commenter.

Availability of NPRMs

Any person may obtain a copy of this NPRM by submitting a request to the FAA, Central Region, Office of the Assistant Chief Counsel, Attention: Rules Docket No. 92-CE-25-AD, Room 1558, 601 E. 12th Street, Kansas City, Missouri 64106.

Discussion

The Direction Generale de L'Aviation Civile (DGAC), which is the airworthiness authority for France, recently notified the FAA that an unsafe condition may exist on Avions Pierre Robin Model R2160 airplanes. The DGAC reports that cracks in the weld securing the nose wheel steering bottom bracket to the nose landing gear leg have been found on several of the affected airplanes. This condition, if not detected and corrected, could lead to nose landing gear failure, which could result in loss of control of the airplane during landing operations.