

FEDERAL DEPOSIT INSURANCE CORPORATION**Rescission of Statement of Policy; Retail Repurchase Agreements**

AGENCY: Federal Deposit Insurance Corporation (FDIC).

ACTION: Rescission of statement of policy.

SUMMARY: As part of the FDIC's systematic review of its regulations and written policies under section 303(a) of the Riegle Community Development and Regulatory Improvement Act of 1994 (CDRI), the FDIC is rescinding its policy statement concerning retail repurchase agreements (Statement). The Statement alerts insured nonmember banks to legal and safety and soundness issues involved in the issuance of retail repurchase agreements (retail repos). The FDIC is rescinding the Statement because it is now outmoded. The rescission does not reflect any substantive change in the FDIC's supervisory attitude toward the need for fundamental disclosure of investor risks, as reflected in the Interagency Statement on Retail Sales of Nondeposit Investment Products.

EFFECTIVE DATE: This Statement is rescinded effective December 11, 1996.

FOR FURTHER INFORMATION CONTACT:

Kenton Fox, Senior Capital Markets Specialist, Division of Supervision, (202) 898-7119; Gerald J. Gervino, Senior Attorney, (202) 898-3723, Legal Division, FDIC, 550 17th Street, N.W., Washington, D.C. 20429.

SUPPLEMENTARY INFORMATION: The FDIC is conducting a systematic review of its regulations and written policies. Section 303(a) of the CDRI (12 U.S.C. 4803(a)) requires each federal banking agency to streamline and modify its regulations and written policies in order to improve efficiency, reduce unnecessary costs, and eliminate unwarranted constraints on credit availability. Section 303(a) also requires each federal banking agency to remove inconsistencies and outmoded and duplicative requirements from its regulations and written policies.

As part of this review, the FDIC has determined that the Statement is outmoded, and that the FDIC's written policies can be streamlined by its elimination.

The Statement was published on October 6, 1981, 46 FR 49197. The Statement requires banks to follow safe and sound banking practices in the issuance of retail repurchase agreements, alerts banks to certain

requirements of 12 CFR part 329 and the Investment Company Act of 1940, establishes disclosure requirements, and restricts bank advertising and solicitations.

The Government Securities Act of 1986 established, among other things, requirements for repurchase agreement transactions using U.S. government and agency securities. In addition, the Division of Supervision has issued guidance for the sale of investment products by banks in the Interagency Statement on Retail Sales of Nondeposit Investment Products. This law partially supersedes the Policy Statement. Similarly, the Interagency Statement provides broader guidance for securities transactions, including retail repurchase transactions. The presence of these two newer guideposts may lead to confusion as to the application of the Policy Statement.

The Policy Statement references parts of the FDIC's interest rate regulations, 12 CFR part 329, that are no longer in force. Much of the discussion on the Investment Company Act of 1940, 17 U.S.C. 80a-1 through 80a-64, is unnecessary as the subject has not been raised in recent years. These factors have caused confusion among banks, their advisors, and consumers.

For the above reasons, the Policy Statement is hereby rescinded.

By order of the Board of Directors.

Dated at Washington, DC, this 26th day of November, 1996.

Federal Deposit Insurance Corporation

Jerry L. Langley,

Executive Secretary.

[FR Doc. 96-31393 Filed 12-10-96; 8:45 am]

BILLING CODE 6714-01-P

FEDERAL RESERVE SYSTEM**Change in Bank Control Notices; Formations of, Acquisitions by, and Mergers of Bank Holding Companies; Correction**

This notice corrects a notice (FR Doc. 96-30783) published on pages 64356 and 64357 of the issue for Wednesday, December 4, 1996.

Under the Federal Reserve Bank of St. Louis heading, the entry for Henry McCaslin, Jr., is revised to read as follows:

1. *Henry McCaslin, Jr.*, Cleveland, Mississippi; to acquire an additional 8.72 percent, for a total of 28.93 percent, of the voting shares of Rosedale First National Corporation, Rosedale, Mississippi, and thereby indirectly

acquire First National Bank, Rosedale, Mississippi.

Comments on this application must be received by December 17, 1996.

Board of Governors of the Federal Reserve System, December 5, 1996.

Jennifer J. Johnson,

Deputy Secretary of the Board.

[FR Doc. 96-31373 Filed 12-10-96; 8:45 am]

BILLING CODE 6210-01-F

Change in Bank Control Notices; Acquisitions of Shares of Banks or Bank Holding Companies

The notificants listed below have applied under the Change in Bank Control Act (12 U.S.C. 1817(j)) and § 225.41 of the Board's Regulation Y (12 CFR 225.41) to acquire a bank or bank holding company. The factors that are considered in acting on the notices are set forth in paragraph 7 of the Act (12 U.S.C. 1817(j)(7)).

The notices are available for immediate inspection at the Federal Reserve Bank indicated. Once the notices have been accepted for processing, they 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 indicated for that notice or to the offices of the Board of Governors. Comments must be received not later than December 26, 1996.

A. Federal Reserve Bank of Richmond (Lloyd W. Bostian, Jr., Senior Vice President) 701 East Byrd Street, Richmond, Virginia 23261:

1. *Joseph E. Corbitt*, Waverly, West Virginia; to acquire an additional 2.30 percent, for a total of 13.67 percent, of the voting shares of First National Bancorp, Inc., St. Marys, West Virginia, and thereby indirectly acquire The First National Bank of St. Marys, St. Marys, West Virginia.

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

1. *Jerome Dansker*, New York, New York; to acquire a total of 33.33 percent of the voting shares of Intervest Bancshares Corporation, New York, New York, and thereby indirectly acquire Intervest Bank, Clearwater, Florida.

Board of Governors of the Federal Reserve System, December 5, 1996.

Jennifer J. Johnson,

Deputy Secretary of the Board.

[FR Doc. 96-31374 Filed 12-10-96; 8:45 am]

BILLING CODE 6210-01-F