

SUPPLEMENTARY INFORMATION: Released: February 27, 1997. The FCC, in a Public Notice released February 21, 1997, and published in the Federal Register on February 26, 1997 (*See* 62 FR 8741), announced the March 11, 1997 meeting of the North American Numbering Council (NANC) and the agenda for this meeting. The Public Notice stated that the NANC meeting would commence at 9:30 A.M. EST. The NANC has changed the meeting time to 8:30 A.M. EST. The meeting place, the Federal Communications Commission, 1919 M Street, NW, Room 856, Washington, DC, remains the same.

Federal Communications Commission.
Geraldine A. Matise,
Chief, Network Services Division, Common Carrier Bureau.
[FR Doc. 97-5348 Filed 3-3-97; 8:45 am]
BILLING CODE 6712-01-P

FEDERAL FINANCIAL INSTITUTIONS EXAMINATION COUNCIL

Interagency Policy Statement Regarding Uniform Guideline on Internal Control for Foreign Exchange in Commercial Banks

AGENCIES: Office of the Comptroller of the Currency (OCC), Department of the Treasury; Board of Governors of the Federal Reserve System (FRB); and Federal Deposit Insurance Corporation (FDIC).

ACTION: Withdrawal of guideline.

SUMMARY: The OCC, FRB, and FDIC ("the Agencies") are withdrawing their joint guideline entitled: "Interagency Policy Statement Regarding Uniform Guideline on Internal Control for Foreign Exchange in Commercial Banks," dated May 22, 1980 (45 FR 42370, June 24, 1980) ("the Guideline") because it is considered outdated and has been superseded by other pronouncements from each of the agencies.

EFFECTIVE DATE: The removal of the Guideline is effective March 4, 1997.

FOR FURTHER INFORMATION CONTACT:

FRB: Michael Martinson, Assistant Director, (202)/452-3640), or Joe Sciortino, Supervisory Financial Analyst, (202)/452-2294), Board of Governors of the Federal Reserve System, 20th and C Streets, N.W., Washington, D.C. 20551.

FDIC: Christie Sciacca, Assistant Director, (202)/898-3638), Federal Deposit Insurance Corporation, 550 17th St., N.W., Washington, D.C. 20429.

OCC: Leon Tarrant, Manager, (202)/874-4730), Office of the Comptroller of the

Currency, 250 E Street, S.W., Washington D.C. 20219.

SUPPLEMENTARY INFORMATION: The policy set forth in the Guideline was developed to provide uniformity among the Agencies in establishing minimum standards for documentation, accounting, and auditing for foreign exchange operations in U.S. commercial banks. The Guideline was not intended to be all encompassing as to policies and procedures expected to be found in the most active market participants. Rather, it called for each bank to develop a system of internal control commensurate with the risks to which it is exposed.

The Guideline has become outdated in view of numerous changes that have subsequently taken place, including: the scope and depth of foreign exchange trading activities in banks, new product developments, significant improvements in automated trading systems, and the management of the business along product lines. These conditions prompted each agency to issue subsequent pronouncements and updated examination and/or policy procedures for U.S. banks as well as for foreign banks doing business in the United States.

The Agencies' Action

The Agencies hereby withdraw the Guideline.

Dated: February 27, 1997.

Joe M. Cleaver,
Executive Secretary, Federal Financial Institutions Examination Council.

[FR Doc. 97-5286 Filed 3-3-97; 8:45 am]

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FEDERAL HOUSING FINANCE BOARD

[97-N-1]

Monthly Survey of Rates and Terms on Conventional 1-Family Nonfarm Mortgage Loans

AGENCY: Federal Housing Finance Board.

ACTION: Request for comments.

SUMMARY: The Federal Housing Finance Board (Finance Board) is seeking comments on several aspects of its Monthly Survey of Rates and Terms on Conventional 1-Family Nonfarm Mortgage Loans. The Finance Board seeks comments on whether it should continue to publish mortgage information by lender type. If not, then the Finance Board seeks comments on whether the sampling and weighting design for this survey should draw lenders without regard to lender type. If so, the Finance Board seeks suggestions

for alternative sampling and weighting methodologies. The Finance Board also seeks comments on the designation of successor adjustable-rate mortgage indexes if it decides to stop publishing data by lender type.

DATES: Comments must be received by April 18, 1997.

ADDRESSES: Mail comments to Elaine L. Baker, Executive Secretary, Federal Housing Finance Board, 1777 F Street, N.W., Washington, D.C. 20006. Comments will be available for inspection at this address.

FOR FURTHER INFORMATION CONTACT: Joseph A. McKenzie (202) 408-2845, Associate Director, Office of Policy, Federal Housing Finance Board, 1777 F Street, N.W., Washington, D.C. 20006.

SUPPLEMENTARY INFORMATION:

A. Background

The Finance Board is responsible for conducting the Monthly Survey of Rates and Terms on Conventional 1-Family Nonfarm Mortgage Loans. This survey, usually called the "Monthly Interest Rate Survey" or "MIRS," asks a sample of approximately 350 mortgage lenders to report the terms and conditions on all conventional mortgage loans for the purchase of single-family, nonfarm homes that they close during the last five working days of the month. The sample of lenders includes savings associations, mortgage companies, commercial banks, and savings banks that have volunteered to participate in the survey. MIRS provides national and regional data on mortgage interest rates, mortgage terms, and house prices. The Finance Board's regulations describe MIRS more thoroughly. *See* 12 CFR 902.3.

From 1963 to September 1989, the former Federal Home Loan Bank Board conducted MIRS. Law requires the Finance Board to conduct this survey. The statutory mandate to conduct MIRS appears in identical provisions in the Federal National Mortgage Association (Fannie Mae) Charter Act, 12 U.S.C. 1717(b)(2), and the Federal Home Loan Mortgage Corporation (Freddie Mac) Act, 12 U.S.C. 1454(a)(2). These provisions allow the two agencies annually to adjust the maximum size of mortgage loans that they can purchase or guarantee by the October-over-October percentage price change in house prices as reported in MIRS.

More recently, the 1994 Department of Housing and Urban Development (HUD) appropriation act tied the high-cost area limits for Federal Housing Administration (FHA)-insured mortgages to the purchase-price limitations of Fannie Mae and Freddie

Mac, thus linking the FHA limits indirectly to MIRS. See Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, Pub. L. No. 103-327, 108 Stat. 2298 (1994). In addition, the Internal Revenue Service uses the data from MIRS to set the safe-harbor purchase-price limits for mortgages purchased with the proceeds of mortgage revenue bond issues. See 26 CFR 6a.103A-2(f)(5).

Beyond its use for indexing the conforming loan limit, MIRS provides information for general statistical purposes and program evaluation. Economic policy makers use the data to determine interest rates, down payments, terms to maturity, terms on adjustable-rate mortgages (ARMs), initial fees and charges on mortgage loans, and other trends in mortgage markets. Information from MIRS regularly appears in the popular and trade press.

On or about the 26th of each month the Finance Board publishes a MIRS press release with mortgage rate and term information by property type (all, newly built, and previously occupied; Table I), by loan type (adjustable-rate and fixed-rate; Table II), and by lender type (savings association, mortgage company, commercial bank, savings bank; Table III), and a table providing data on 15- and 30-year conforming fixed-rate loans (Table V). In addition, it publishes quarterly tables with rate and term information for metropolitan areas (Table IV) and for Federal Home Loan Bank districts (Table VI).

An ARM index derived from MIRS—the National Average Contract Mortgage Rate for the Purchase of Previously Occupied Homes—was the only ARM index that Federally chartered savings institutions could use for a period in the early 1980's. A very small proportion of existing ARMs may use another interest-rate series from MIRS as an index.

B. Sampling and Weighting the Data

The Finance Board samples all savings associations, mortgage companies, commercial bank, and savings banks for MIRS because it publishes monthly aggregate data by lender type. In addition, the Finance Board samples lenders representing all regions because it publishes quarterly data for 32 selected large metropolitan areas, quarterly data for the 12 Federal Home Loan Bank districts, and annual data for all 50 states and for 60 metropolitan statistical areas (MSAs).

MIRS presents a "clustered sampling" problem. The item of interest is individual loans, but the Finance Board must sample lenders to get the

individual loan data. The loans must come from all regions and must represent all lender types. Several recent developments have improved the geographical dispersion of MIRS loans. First, some large national mortgage companies participate in MIRS. This means that one lender may report loans from 20 or more states. Second, the continuing trend toward the consolidation of depository institutions has resulted in large institutions that originate loans in many states.

As with most survey data, the tabulated MIRS data reflects the weighting of the individual responses. The current weighting draws depository institutions with equal probabilities of selection from "lender-type geo strata" (for example, commercial banks in Nebraska, savings associations from the Cincinnati MSA, or savings banks from the Boston CMSA.) Since the sample of loans reported in a given month may differ from true lending experience (for example, over -or under-represent certain regions), the MIRS data is weighted to comport with information on lending patterns derived from independent sources:

(1) The data is adjusted so that the distribution of loans by lender type matches the lender-type distribution in the latest release of HUD's Survey of Mortgage Lending Activity, and

(2) The data is adjusted so that the distribution of loans by Federal Home Loan Bank district matches the state pattern of mortgage originations annually reported by HUD.

The weighting process builds up the national data from four separate subsamples based on lender type, where the shares of loans by lender type come from the HUD data. On balance, this weighting process significantly increases the importance of loans reported by commercial banks and reduces the importance of loans reported by savings associations because commercial bank loans are under-represented in the sample. Regional adjustment of the data does not have a significant effect on the results because the geographic pattern of responses approximates aggregate lending patterns.

C. Sampling by Lender Type

The Finance Board publishes data by lender type principally because the former Federal Home Loan Bank Board published the data that way when it conducted MIRS. Accordingly, the Finance Board draws four separate subsamples corresponding to savings associations, mortgage companies, commercial banks and, savings banks. As the financial services sector evolves,

the distinctions between commercial banks and thrifts continue to erode. If the institutional distinctions between commercial bank and thrift are blurred, then published data by lender type may no longer be useful or meaningful.

While the overall samples of savings associations, savings banks, and mortgage companies are adequate, the Finance Board has had persistent trouble in recruiting commercial banks for the sample. Over the past several years, the Finance Board has contacted more than 2,000 commercial banks, all with at least 10 percent of their assets in residential mortgage loans, and asked them to participate in MIRS. Most of the banks contacted never responded to the solicitation. Many banks that did respond said that either they make no mortgages or that a subsidiary mortgage company originates all the loans that they hold. Many banks that responded positively never submitted any loan data.

Despite the Finance Board's recruitment efforts, only 118 commercial banks reported a total of 5,437 loans in 1996. This represents only 4 percent of the total number of loans reported in 1996. However, HUD's Survey of Mortgage Lending Activity reports that commercial banks originate about one-quarter of all single-family mortgage loans. As a result, the MIRS weighting process weighs up each commercial bank loan by a factor of about six.

While the MIRS sample has few large commercial banks, the overall sample contains many loans originated by the mortgage banking subsidiaries of large commercial banks that have large mortgage investments.

The Finance Board specifically requests comments on the following:

- Should it continue to report MIRS data by lender type?
- Should it continue to sample MIRS lenders by lender type?
- Do institutional changes render the data by lender type meaningless?
- Are there alternative ways to increase commercial bank participation in the sample?

D. Home Mortgage Disclosure Act Data

The HUD data on mortgage originations by lender type is crucial to the MIRS weighting process. However, some observers believe the HUD data may overstate the commercial bank share of mortgage originations. Very few large commercial banks originate mortgage loans. Most of the large commercial banks with significant portfolio concentrations of residential mortgages have purchased these loans from subsidiary mortgage companies

that have significant origination volumes.

Home Mortgage Disclosure Act (HMDA) data may provide an alternative data source for the lender type shares for MIRS. HMDA requires lenders to submit information on single-family mortgage applications. The data includes a disposition code, so it is possible to use HMDA information on loans closed. The scope of the HMDA data includes information on all nonmetropolitan mortgage originations but from the smallest lenders. The more important of these omissions is loans in nonmetropolitan areas. Approximately one-fifth of the nation's population lives outside metropolitan areas. Secondly, very small lenders are not subject to HMDA reporting. The Finance Board specifically requests comments on whether it could or should use the HMDA data as the basis for developing the lender-type adjustment in the MIRS weighting process. The Finance Board also requests comments on whether another data source is available that it could use in developing shares of aggregate lending by lender type.

Beyond the use of the HMDA data to develop the lender-type adjustment, the Finance Board requests comments on whether it could develop a size-stratified weighting scheme based on individual lender origination volumes reported in the HMDA data. A HMDA-based weighting scheme would group lenders by origination volume and sample lenders, without regard to charter type, with decreasing frequency (and increasing weight) as origination volume declines. The implicit assumption is that loans originated by one type of lender (for example, commercial banks) are no different from loans originated by another type of lender.

The Finance Board requests comments on whether it should change its MIRS weighting methodology. Should it adopt a size-stratified weighting methodology using HMDA data? If so, how should it surmount the omission in the HMDA data of nonmetropolitan lending data and loans from small lenders? (The MIRS data now contains loans from nonmetropolitan lenders as well as loans made by metropolitan lenders in nonmetropolitan areas.) Is there another weighting methodology that is more appropriate than either the current methodology or the one suggested that uses the HMDA data?

E. Data Edit Limits

Most statistical surveys incorporate certain validity checks that the data must pass. MIRS contains validity

checks or edits on allowable interest-rate ranges, loan sizes, purchase prices, loan fee amounts, and consistency of ZIP code with state of the property. The Finance Board established the current maximum allowable value of \$500,000 for loan size and \$750,000 for property price in November 1991. These edits would reject loans where the responding lender omitted a decimal point from dollar values, which would have the effect of reporting a loan amount or purchase price 100 times larger than the actual amount. The edits also exclude certain typographical errors, especially when the purchase price contains an extra zero. For example, a reported \$50,000 loan on a \$900,000 property is more likely to be a \$50,000 loan on a \$90,000 property. The current edits would reject this transaction.

While the edits screen out incorrect transactions, they also may exclude some valid transactions. Since the Finance Board established the current price and loan-size limits in November 1991, housing prices have increased modestly. The Finance Board seeks comments on an appropriate methodology to adjust the house size and loan amount edit limits to allow for housing price appreciation. The Finance Board does not plan to change the lower loan size and property price limit of \$10,000.

While it is not possible precisely to quantify the effect that the changes in the edit limits will have on the reported average house prices, the Finance Board believes the effect will be small because the proportion of loans between the old and any higher new edit limits is likely to be small. MIRS now has few transactions in bands just below the current edit limits. In 1996, only 0.7 percent of MIRS loans had balances between \$400,000 and \$500,000, and only 1.2 percent of MIRS loans financed homes with prices between \$500,000 and \$750,000. Transactions in these bands are skewed toward the lower end of the bands. Therefore, the Finance Board expects that only a small fraction of 1 percent of the survey's loans will fall between the old and any higher new edit limits.

F. Adjustable-Rate Mortgage Index

A very small number of ARMs may use as an index a MIRS interest rate series by lender type. This information appears on Table III of the regular monthly MIRS release. If the Finance Board were to adopt a changed MIRS sampling methodology that no longer separately sampled lenders by lender type, then it probably would stop the

publication of Table III in the monthly MIRS release.

Section 402(e)(4) of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 "FIRREA," Public Law No. 101-73, 103 Stat. 183 (August 9, 1989), requires the Chairperson of the Finance Board to designate a "substantially similar" successor index if the Finance Board no longer makes available any index from MIRS. If the Finance Board were to stop Table III, then it proposes to designate that the National Average Contract Mortgage Rate for the Purchase of All Homes by Combined Lenders be the successor index for any ARM index that uses a contract rate from Table III. It also proposes to designate the National Average Effective Mortgage Rate for the Purchase of All Homes by Combined Lenders be the successor index for any ARM index that uses an effective rate from Table III. The Finance Board publishes both of the proposed successor index rates in the top panel of Table I in the monthly MIRS release, and the current value of both interest rates is available on a recording maintained by the Finance Board.

The Finance Board is proposing these successor index rates because the loans reported in Table III by lender type include loans on both newly built and previously occupied homes. The proposed successor index rates also include loans on both newly built and previously occupied homes. The only difference is that the data in Table I combines loans from all types of lenders whereas Table III reports mortgage data by type of lender.

The Finance Board seeks comments on these proposed successor index rates.

G. Effective Date and Transition Provisions

The Finance Board would adopt any changes to the MIRS sampling and weighting methodology effective at the beginning of 1998. Before implementing any changes, the Finance Board would consult with the technical staff of other Federal agencies and instrumentalities to obtain their views and suggestions about the MIRS sampling and weighting methodology.

The Finance Board also would make available special tabulations so that Fannie Mae and Freddie Mac would have data calculated on the same basis for their determination of the conforming loan limit for 1999. This calculation would occur in November 1998.

By the Federal Housing Finance Board.

Dated: February 26, 1997.

Rita I. Fair,

Managing Director.

[FR Doc. 97-5266 Filed 3-3-97; 8:45 am]

BILLING CODE 6725-01-P

FEDERAL RESERVE SYSTEM

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 March 18, 1997.

A. Federal Reserve Bank of Richmond (Lloyd W. Bostian, Jr., Senior Vice President) 701 East Byrd Street, Richmond, Virginia 23261-4528:

1. *Louis Ray Jones*, Virginia Beach, Virginia; to acquire an additional 14.94 percent, for a total of 24.90 percent, of the voting shares of Resource Bank, Virginia Beach, Virginia.

B. Federal Reserve Bank of Minneapolis (Karen L. Grandstrand, Vice President) 250 Marquette Avenue, Minneapolis, Minnesota 55480-2171:

1. *Carl W. Jones*, Minnetonka, Minnesota; Christopher W. Jones, Long Lake, Minnesota; Janet N. Jones, Excelsior, Minnesota; each to acquire 33.33 percent of the voting shares of Harbourside, LP, Wayzata, Minnesota, and thereby indirectly acquire Anchor Bancorp, Inc., Wayzata, Minnesota; Anchor Bank, N.A., Wayzata, Minnesota; Anchor Bank, West St. Paul, N.A., West St. Paul, Minnesota; The Bank of Saint Paul, St. Paul, Minnesota; Heritage National Bank, North St. Paul, Minnesota; and The First National Bank of Farmington, Farmington, Minnesota.

Board of Governors of the Federal Reserve System, February 26, 1997.

Jennifer J. Johnson,

Deputy Secretary of the Board.

[FR Doc. 97-5232 Filed 3-3-97; 8:45 am]

BILLING CODE 6210-01-F

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. 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 March 28, 1997.

A. Federal Reserve Bank of Kansas City (John E. Yorke, Senior Vice President) 925 Grand Avenue, Kansas City, Missouri 64198-0001:

1. *Armstrong Financial Co.*, Minden, Nebraska; to become a bank holding company by acquiring 80.99 percent of the voting shares of Minden Exchange Co., Minden, Nebraska, and thereby indirectly acquire Minden Exchange Bank & Trust Co., Minden, Nebraska.

2. *Commerce Bancshares, Inc.*, Kansas City, Missouri, and CBI Kansas, Inc., Kansas City, Missouri; to acquire 100 percent of the voting shares of, and thereby merge with Shawnee Bank Shares, Inc., Shawnee, Kansas, and thereby indirectly acquire Shawnee State Bank, Shawnee, Kansas.

Board of Governors of the Federal Reserve System, February 26, 1997.

Jennifer J. Johnson,

Deputy Secretary of the Board.

[FR Doc. 97-5231 Filed 3-3-97; 8:45 am]

BILLING CODE 6210-01-F

Sunshine Act Meeting

AGENCY HOLDING THE MEETING: Board of Governors of the Federal Reserve System

TIME AND DATE: 11:00 a.m., Monday, March 10, 1997.

PLACE: Marriner S. Eccles Federal Reserve Board Building, C Street entrance between 20th and 21st Streets, N.W., Washington, D.C. 20551.

STATUS: Closed.

MATTERS TO BE CONSIDERED:

1. Personnel actions (appointments, promotions, assignments, reassignments, and salary actions) involving individual Federal Reserve System employees.

2. Any items carried forward from a previously announced meeting.

CONTACT PERSON FOR MORE INFORMATION:

Mr. Joseph R. Coyne, Assistant to the Board; (202) 452-3204. You may call (202) 452-3207, beginning at approximately 5 p.m. two business days before this meeting, for a recorded announcement of bank and bank holding company applications scheduled for the meeting.

Dated: February 28, 1997.

Jennifer J. Johnson,

Deputy Secretary of the Board.

[FR Doc. 97-5464 Filed 2-28-97; 3:50 pm]

BILLING CODE 6210-01-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Notice of a Meeting of the National Bioethics Advisory Commission (NBAC)

SUMMARY: Pursuant to Section 10(d) of the Federal Advisory Committee Act, as amended (5 U.S.C. Appendix 2), notice is given of a meeting of the National Bioethics Advisory Commission. The Commission members will address the bioethical issues arising from the research on human biology and behavior, and in the applications of that research including clinical. They will also begin a review of the legal and ethical issues associated with the recent report of a technique of cloning sheep. The public is invited to speak on any of these issues and opportunities for statements will be provided.

DATES: Thursday, March 13, 1997, 8:00 a.m. to 4:30 p.m., and Friday, March 14, 1997, 8:00 a.m. to 4:30 p.m.

LOCATION: The Commission will meet at the Watergate Hotel, Continental Chesapeake Extender Room, 2650 Virginia Avenue, NW., Washington, DC.