Commission clarifies in the Order on Reconsideration that nondominant interexchange carriers should retain the documents supporting the rates, terms, and conditions of the carriers' interstate, domestic, interexchange offerings. Nondominant interexchange carriers are required to retain the foregoing records for a period of at least two years and six months following the date the carrier ceases to provide services on such rates, terms and conditions, in order to afford the Commission sufficient time to notify a carrier of the filing of a complaint, which generally must be filed within two years from the time the cause of action accrues (in the event a complaint is filed against a carrier, the carrier will be required to retain documents relating to the complaint until the complaint is resolved). See 47 CFR Section 42.11. Nondominant interexchange carriers are required to maintain the foregoing records in a manner that allows them to produce such records within ten business days of receipt of a Commission request, and to file with the Commission, and update as necessary, the name, address, and telephone number of the individual, or individuals, designated by the carrier to respond to Commission inquiries and requests for documents. The availability of such records will enable the Commission to meet its statutory duty of ensuring that such carriers' rates, terms, and conditions for service are just, reasonable, and not unreasonably discriminatory, and that these carriers comply with the geographic rate averaging and rate integration requirements of the 1996 Act. In addition, maintenance of such records will enable the Commission to investigate and resolve complaints. (519 respondents × 2 hours per response = 1038 annual burden hours).

d. Certification Requirement: In the Second Report and Order, the Commission adopted its proposal to require nondominant interexchange carriers to file certifications with the Commission stating that they are in compliance with their statutory geographic rate averaging obligations under Section 254(g) of the Communications Act, as amended. These providers must also file certifications with the Commission stating that they are in compliance with their statutory rate integration obligations under Section 254(g). See 47 CFR 64.1900. This requirement is reaffirmed in the Order on Reconsideration. (519 respondents × .05 hours per response = 259.5 annual burden hours).

The information collected under the tariff cancellation requirement must be disclosed to the Commission, and will be used to implement the Commission's detariffing policy. The information collected under the recordkeeping and other requirements will be used by the Commission to ensure that affected interexchange carriers fulfill their obligations under the Communications Act, as amended.

Federal Communications Commission.

William F. Caton,

Acting Secretary.

[FR Doc. 97–24212 Filed 9–11–97; 8:45 am]

BILLING CODE 6712–01–P

FEDERAL DEPOSIT INSURANCE CORPORATION

Notice of Agency Meeting

Pursuant to the provisions of the ''Government in the Sunshine Act'' (5 U.S.C. 552b), notice is hereby given that the Federal Deposit Insurance Corporation's Board of Directors will meet in open session at 10:00 a.m. on Tuesday, September 16, 1997, to consider the following matters:

Summary Agenda

No substantive discussion of the following items is anticipated. These matters will be resolved with a single vote unless a member of the Board of Directors requests that an item be moved to the discussion agenda.

Disposition of minutes of previous Board of Directors' meetings.

Report of actions taken pursuant to authority delegated by the Board of Directors.

Discussion Agenda

Memorandum re: Revised Strategic Plan.

Memorandum and resolution re: Proposal to Revise the Risk-Based Capital Treatment of Recourse and Direct Credit Substitutes.

Memorandum and resolution re: Part 325 Proposal to Revise the Regulatory Capital Treatment of Net Unrealized Gains on Equity Securities.

Memorandum and resolution re: Part 325 Final Rule Implementing Section 208 of the CDRI Act—Capital Requirement for Small Business Loans Transferred With Recourse.

The meeting will be held in the Board Room on the sixth floor of the FDIC Building located at 550—17th Street, N.W., Washington, D.C.

The FDIC will provide attendees with auxiliary aids (e.g., sign language interpretation) required for this meeting. Those attendees needing such assistance should call (202) 416–2449 (Voice); (202) 416–2004 (TTY), to make necessary arrangements.

Requests for further information concerning the meeting may be directed to Mr. Robert E. Feldman, Executive Secretary of the Corporation, at (202) 898–6757.

Dated: September 9, 1997.

Federal Deposit Insurance Corporation.

Robert E. Feldman,

Executive Secretary.

[FR Doc. 97–24323 Filed 9–9–97; 5:01 pm]

BILLING CODE 6714–01–M

FEDERAL FINANCIAL INSTITUTIONS EXAMINATION COUNCIL

Uniform Retail Credit Classification Policy

AGENCY: Federal Financial Institutions Examination Council.

ACTION: Notice and request for comment.

SUMMARY: The Board of Governors of the Federal Reserve System (FRB), the Federal Deposit Insurance Corporation (FDIC), the Office of the Comptroller of the Currency (OCC), and the Office of Thrift Supervision (OTS) (collectively referred to as the agencies), under the auspices of the Federal Financial Institutions Examination Council (FFIEC), are requesting comment on changes to the 1980 Uniform Policy for Classification of Consumer Instalment Credit Based on Delinquency Status (1980 policy). The 1980 policy is used by the agencies for classifying retail credit loans of financial institutions on a uniform basis.

The FFIEC is currently reviewing the 1980 policy to determine where revisions may be necessary to more accurately reflect the changing nature of risk in today's retail credit environment. The preliminary results of this review indicate that revisions should include: a charge-off policy for open-end and closed-end credit; a classification policy for loans affected by bankruptcy, fraudulent activity, and/or death of a borrower; a prudent re-aging policy for past due accounts; and a classification policy for delinquent residential mortgage and home equity loans.

Before developing a revised policy statement for public comment, the FFIEC is first soliciting comments on: areas in the existing policy statement that may need to be revised; specific recommendations for changing the policy statement; data that would help quantify the financial or business impact on financial institutions if the existing policy was revised; and an estimate of the time frames necessary for

an institution to successfully implement the revisions. After reviewing the input received, the FFIEC will issue a revised policy statement for public comment that establishes clear guidance for the industry; is based on an informed and reasonable analysis of all available data; and satisfies the principles of sound and effective supervision.

DATES: Comments must be received by November 12, 1997.

ADDRESSES: Comments should be sent to Joe M. Cleaver, Executive Secretary, Federal Financial Institutions Examination Council, 2100 Pennsylvania Avenue NW, Suite 200, Washington, DC 20037 or by facsimile transmission to (202) 634–6556.

FOR FURTHER INFORMATION CONTACT:

FRB: William Coen, Supervisory Financial Analyst, (202) 452–5219, Division of Banking Supervision and Regulation, Board of Governors of the Federal Reserve System. For the hearing impaired only, Telecommunication Device for the Deaf (TDD), Dorothea Thompson, (202) 452–3544, Board of Governors of the Federal Reserve System, 20th and C Streets NW, Washington, DC 20551.

FDIC: James Leitner, Examination Specialist, (202) 898–6790, Division of Supervision. For legal issues, Michael Phillips, Counsel, (202) 898–3581, Supervision and Legislation Branch, Federal Deposit Insurance Corporation, 550 17th Street NW, Washington, DC 20429.

OCC: Cathy Young, National Bank Examiner, Credit Risk Division, (202) 874–4474; Ron Shimabukuro, Senior Attorney, Legislative and Regulatory Activities Division, Office of the Comptroller of the Currency (202) 874–5090, 250 E Street SW, Washington, DC 20219.

OTS: William J. Magrini, Senior Project Manager, (202) 906–5744, Supervision Policy; Vern McKinley, Attorney, (202) 906–6241, Regulations and Legislation Division, Chief Counsel's Office, Office of Thrift Supervision, 1700 G Street NW, Washington, DC 20552.

SUPPLEMENTARY INFORMATION:

Background Information

On June 30, 1980, the FRB, FDIC, and OCC adopted the FFIEC uniform policy for classification of open-end and closed-end credit. The OTS adopted the policy in 1987. The policy was issued to establish uniform guidelines for the classification of instalment credit based on delinquency status. While the 1980 policy recognized the statistical validity of measuring losses predicated on past due status, the 1980 policy also permitted exceptions to the classification policy in situations where significant amounts were involved or when a loan was well secured and in the process of collection.

A fundamental objective of the 1980 policy is the timely recognition of losses as required by generally accepted accounting principles (GAAP). While the 1980 policy provides general guidance for a large segment of the retail credit portfolio, it does not provide supervisory guidance on loan charge-offs related to consumer bankruptcy, fraudulent activities, and accounts of decedents. Furthermore, no guidance is provided on the classification of delinquent residential mortgages and home equity loans. In light of the questionable asset quality of many of these accounts and the inconsistent way in which financial institutions report and charge-off these accounts, the FFIEC believes that additional supervisory guidance is necessary.

Request for Comments in the Following Areas

(1) Charge-off Policy for Open-End and Closed-End Credit

The agencies recognize the inconsistency between the level of risk associated with open-end and closed-end credit and the policy for charging-off delinquent accounts. Under the 1980 policy, open-end credit, which is generally unsecured, should be charged-off when an account is 180 days delinquent. Conversely, closed-end credit, which is normally secured by some type of collateral, is subject to a more stringent policy of 120 days delinquent before a loan is charged off. Over the years this inconsistency has become more apparent as the market for open-end credit evolved.

In 1980, open-end credit generally consisted of credit card accounts with small credit lines that limited the exposure an institution had to an individual borrower. In today's environment, open-end credit generally includes accounts with much larger lines of credit and higher risk levels. The change in the nature of these accounts, combined with the variety of charge-off practices examiners recently encountered, raised the concern of the agencies. To address this concern, the FFIEC is seeking public comment on whether a charge-off policy that is more consistent with the risk associated with open-end and closed-end accounts should be adopted and if so, what that policy should be. Specifically, the FFIEC requests comment on:

(1)(a) Should a uniform time frame be used to charge-off both open-end and closed-end accounts?

(1)(b) If so, what should that time frame be?

(1)(c) If a uniform time frame for both types of credit is not considered appropriate, what time frames are reasonable for charging off open-end credit and closed-end credit? Please explain.

(1)(d) If there was a change in the time frames for charging-off delinquent accounts, what is a reasonable time frame to allow institutions to comply with such a change?

(1)(e) Should the current regulatory practice be continued of classifying open-end and closed-end credit Substandard when the account is 90 days or more delinquent? If not, what alternative would you suggest? Please explain the benefits of a suggested alternative.

(1)(f) Should a standard for the Doubtful classification be adopted and, if so, what should be the standard and why?

(1)(g) Currently, no requirement exists to place retail credit loans on nonaccrual status. Should guidance for placing loans on a nonaccrual status be adopted and, if so, at how many days delinquent should open-end credit and closed-end credit be placed on a nonaccrual status?

(1)(h) An alternative to a requirement that accounts be charged-off after a designated delinquency is the creation of an allocated or specific reserve. Should the FFIEC require an allocated or specific reserve, and if so, when should it be established? Please discuss the advantages and disadvantages of such a proposal.

(2) Bankruptcy, Fraud, and Deceased Accounts

No FFIEC guidance exists for bankruptcy, fraud, and deceased accounts. The FFIEC believes guidance on these accounts is needed to ensure recognition of loss among regulated institutions is timely and consistent. Comment is requested on the need to provide such guidance and on the following more specific issues.

(2)(a) Should there be separate guidance for determining when an account should be charged-off for Chapter 7 bankruptcies and Chapter 13 bankruptcies? If so, what should that guidance be?

(2)(b) What event in the bankruptcy process should trigger loss recognition: the filing date, the date of notification to the creditor by the bankruptcy court that a borrower has filed for bankruptcy, the date that the bankruptcy trustee

meets with the creditors, or some other date? Please explain why one date is better than another.

(2)(c) How much time is needed by an institution to process the charge-off after any one of the bankruptcy events identified in question 2(a)?

(2)(d) As an alternative to an immediate charge off, would it be beneficial to set up a specific reserve account at the time of the filing and charge the loss to that reserve account at the bankruptcy discharge date? Please explain the pros and cons of this alternative.

(2)(e) Subsequent to notification, how much time is needed by an institution to charge-off losses due to loan fraud?

(2)(f) Subsequent to notification, how much time is needed by an institution to charge-off losses on loans to deceased borrowers?

(3) Partial Payments

The 1980 policy includes a provision that 90 percent of a contractual payment will be considered a full payment. However, if less than 90 percent is received, no recognition of any payment is given. The FFIEC is considering eliminating this policy provision and giving credit for any partial payments received. If such a change is adopted, a loan will be considered one month delinquent when the sum of the missed portions of the payments equals one full payment. A series of partial payments could result in accumulating delinquencies. For example, if a regular installment payment is $300 and the borrower makes payments of only $150 per month for a six-month period, the loan would be $900, or three full months delinquent.

(3)(a) Should borrowers receive credit for partial payments in determining delinquency using the method described? If so, would such a change require significant computer programming changes? Are there other reasonable alternatives?

(3)(b) If partial payments are allowed, how should the payment be applied?

(3)(b)(1) Pro rata, equally to principle and interest.

(3)(b)(2) First to principle, any remaining to interest.

(3)(b)(3) Other.

No guidance currently exists on fixed payment programs. Fixed payment accounts are accounts for which a payment plan (less than contractual) has been established as a result of credit counseling, bankruptcy proceedings, or direct negotiations.

(3)(c) Should the FFIEC adopt policy guidance on fixed payment programs? What should that guidance be?

(4) Re-Aging, Extension, Renewal, or Deferral Policy

Re-aging is the practice of bringing a delinquent account current after the borrower has demonstrated a renewed willingness and ability to repay the loan by making some, but not all, past due payments. A permissive re-aging policy on credit card accounts or an extension, renewal, or deferral policy on other types of retail credit can distort the true performance and delinquency status of individual accounts and the entire portfolio. Re-aging, extension, renewal, or deferral of delinquent loans is an acceptable practice when it is based on recent, satisfactory performance and other positive credit factors of the borrower and when it is structured in accordance with prudent internal policies. Institutions that re-age, extend, renew, or defer accounts should establish a reasonable policy and ensure that it is followed by adopting appropriate operating standards. While no FFIEC guidance currently addresses this issue, it is an area where uniform guidance is appropriate to protect against distortions in the performance of the consumer loan portfolio. The following standards are under consideration:

(4)(a) The borrower shows a renewed willingness and ability to repay the loan. Is this standard appropriate?

(4)(b) The borrower makes a certain number of contractual payments or the equivalent amount. How many payments are appropriate?

(4)(c) The loan can only be re-aged, extended, renewed, or deferred once within a specified time. What time frame is appropriate? Should there be a limit to the number of re-agings over the life of an account? If so, what should that limit be?

(4)(d) The account must be in existence for a certain period of time before it can be re-aged, extended, renewed, or deferred. What time period is appropriate?

(4)(e) The loan balance should not exceed the predelinquency credit limits (last limit approved by bank). Is this standard appropriate?

(4)(f) Other. What other standards should be considered?

(5) Residential and Home Equity Loans

No FFIEC uniform classification policy exists for residential and home equity loans. Since most of these loans are underwritten using uniform credit criteria, the FFIEC supports reviewing and classifying these portfolios on an aggregate basis. The FFIEC is considering the substandard classification based on delinquency status.

As the delinquency progresses, repayment becomes dependent on the sale of the real estate collateral. For collateral dependent loans, GAAP requires that any loan amount in excess of the collateral's fair value less cost to sell should be charged off, or that a valuation allowance be established for that excess amount. The FFIEC is considering requiring that an evaluation of the residential collateral be made within a prescribed delinquency time frame to determine fair value.

(5)(a) Should residential and home equity loans be classified substandard at a certain delinquency (similar to the time period used in open-end and closed-end credit)? If so, what should that delinquency be?

(5)(b) Should the FFIEC require a collateral evaluation at a certain delinquency? If so, what should that delinquency time frame be?

(6) Need for Additional Retail Credit Guidance

The FFIEC notes that classification policies are just one component of prudent loan portfolio management. Classification policies, by themselves, do not address potential problems or weaknesses that may exist in the origination and underwriting of such loans.

(6)(a) What type of additional supervisory guidance is needed or would be beneficial to address this or other aspects of retail credit portfolio management?

(6)(b) Should there be additional supervisory guidance on the loan loss reserve for retail credit?

(7) Industry Experience and Impact

The FFIEC welcomes comment on any other issues that it should consider in updating this policy. Additionally, the FFIEC would benefit from receiving financial institutions' data on their charge off and recovery experience rates for charged-off open-end credit, closed-end credit, loans in bankruptcy, fraudulent loans, or loans of deceased persons. The FFIEC is also interested in understanding the financial and business practice impact that these policy changes may have. Revisions to the 1980 policy may result in changes to the Call Report, which may require banks to make reporting system changes. If an institution's recommendations vary from current business practice, please provide an estimate of the programming costs or other costs that will be incurred to change the practice and report accurately. Some institutions have securitized and sold their loans, but such loans are still under institution

management. Please comment on how the FFIEC should treat such loans.

Dated: September 9, 1997.

Joe M.Cleaver,

Executive Secretary, Federal Financial Institutions Examination Council.

[FR Doc. 97–24235 Filed 9–11–97; 8:45 am]

BILLING CODE 4810–33–P, 6210–01–P, 6714–01–P, 6720–01–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. The notices also will 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 September 29, 1997.

A. Federal Reserve Bank of Kansas City (D. Michael Manies, Assistant Vice President) 925 Grand Avenue, Kansas City, Missouri 64198-0001:

1. Steven L. Voorhees, Harvard, Nebraska; to acquire voting shares of Harvard State Company, Harvard, Nebraska, and thereby indirectly acquire Harvard State Bank, Harvard, Nebraska.

Board of Governors of the Federal Reserve System, September 9, 1997.

Jennifer J. Johnson,

Deputy Secretary of the Board.

[FR Doc. 97–24265 Filed 9–11–97; 8:45 am]

BILLING CODE 6210–01–F

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. The application also will 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 October 9, 1997.

A. Federal Reserve Bank of New York (Betsy Buttrill White, Senior Vice President) 33 Liberty Street, New York, New York 10045-0001:

1. Olympian New York Corporation, Brooklyn, New York; to become a bank holding company by acquiring 100 percent of the voting shares of Olympian Bank, Brooklyn, New York.

B. Federal Reserve Bank of Chicago (Philip Jackson, Applications Officer) 230 South LaSalle Street, Chicago, Illinois 60690-1413:

1. Albrecht Financial Services, Inc., Norwalk, Iowa; to acquire 100 percent of the voting shares of Heartland Bankshares, Inc., Madrid, Iowa, and thereby indirectly acquire City State Bank, Grimes, Iowa.

2. Mercantile Bank Corporation, Grand Rapids, Michigan; to become a bank holding company by acquiring 100 percent of the voting shares of Mercantile Bank of West Michigan, Grand Rapids, Michigan (in organization).

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

1. Rice Lake Bancorp, Inc., Rice Lake, Wisconsin; to acquire 100 percent of the voting shares of TALCO, Inc., Menomonie, Wisconsin, and thereby indirectly acquire Menomonie Shares, Inc., Menomonie, Wisconsin; Menomonie Financial Services, Inc., Menomonie, Wisconsin; and First Bank and Trust, Menomonie, Wisconsin.

Board of Governors of the Federal Reserve System, September 9, 1997.

Jennifer J. Johnson,

Deputy Secretary of the Board.

[FR Doc. 97–24264 Filed 9–11–97; 8:45 am]

BILLING CODE 6210–01–F

FEDERAL RESERVE SYSTEM

Sunshine Act Meeting

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

TIME AND DATE: 10:00 a.m., Wednesday, September 17, 1997.

PLACE: Marriner S. Eccles Federal Reserve Board Building, C Street entrance between 20th and 2lst Streets, N.W., Washington, D.C. 20551.

STATUS: Closed.

MATTERS TO BE CONSIDERED:

1. Proposals concerning reorganization of Federal Reserve Board functions.

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

3. 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: September 10, 1997.

Jennifer J. Johnson,

Deputy Secretary of the Board.

[FR Doc. 97–24351 Filed 9–10–97; 12:00 pm]

BILLING CODE 6210–01–P

FEDERAL TRADE COMMISSION

Granting of Request for Early Termination of the Waiting Period Under the Premerger Notification Rules

Section 7A of the Clayton Act, 15 U.S.C. § 18a, as added by Title II of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, requires persons contemplating certain mergers or acquisitions to give the Federal Trade Commission and the Assistant Attorney General advance notice and to wait designated periods before consummation of such plans. Section 7A(b)(2) of the Act permits the agencies,