

were estimated at 3,150,000 standard boxes, which should provide \$94,500 in assessment income. Income derived from handler assessments, along with interest income and funds from the Committee's authorized reserve, will be adequate to cover budgeted expenses. Funds in the reserve will be kept within the maximum permitted by the order.

The Committee discussed alternatives to this rule, including alternative expenditure levels. The former rate of \$0.0375 would have resulted in a reserve that exceeded the level the Committee believes is necessary to administer the program. Lower assessment rates were considered, but not recommended because they would not generate the income necessary to administer the program with an adequate reserve. Major expenses recommended by the Committee for the 1997-98 fiscal period include \$48,454 for salaries, \$8,187 for office rent, and \$4,956 for health insurance. Budgeted expenses for these items in 1996-97 were \$46,306, \$7,016, and \$4,991, respectively.

Recent price information indicates that the grower price for the 1997-98 season will range between \$5.79 and \$12.72 per standard box of fresh Bartlett pears. Therefore, the estimated assessment revenue for the 1997-98 fiscal period as a percentage of total grower revenue will range between 0.24 and 0.52 percent.

This action will reduce the assessment obligation imposed on handlers. While this rule will impose some additional costs on handlers, the costs are minimal and in the form of uniform assessments on all handlers. Some of the additional costs may be passed on to producers. However, these costs will be offset by the benefits derived by the operation of the marketing order. In addition, the Committee's meeting was widely publicized throughout the fresh Bartlett pear industry and all interested persons were invited to attend the meeting and participate in Committee deliberations on all issues. Like all Committee meetings, the May 29, 1997, meeting was a public meeting and all entities, both large and small, were able to express views on this issue.

This action will not impose any additional reporting or recordkeeping requirements on either small or large fresh Bartlett pear handlers. As with all Federal marketing order programs, reports and forms are periodically reviewed to reduce information requirements and duplication by industry and public sector agencies.

The Department has not identified any relevant Federal rules that

duplicate, overlap, or conflict with this final rule.

The interim final rule published in the **Federal Register** (62 FR 44884) on August 25, 1997, requested comments to be received by September 24, 1997. A copy of the interim final rule was also made available on the Internet by the U.S. Government Printing Office. No comments were received.

After consideration of all relevant material presented, including the information and recommendation submitted by the Committee and other available information, it is hereby found that this rule, as hereinafter set forth, will tend to effectuate the declared policy of the Act.

List of Subjects in 7 CFR Part 931

Fresh Bartlett pear, Marketing agreements, Reporting and recordkeeping requirements.

PART 931—FRESH BARTLETT PEARS GROWN IN OREGON AND WASHINGTON

Accordingly, the interim final rule amending 7 CFR part 931 which was published at 62 FR 44884 on August 25, 1997, is adopted as a final rule without change.

Dated: November 18, 1997.

Robert C. Keeney,

Deputy Administrator, Fruit and Vegetable Programs.

[FR Doc. 97-30785 Filed 11-21-97; 8:45 am]

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FEDERAL RESERVE SYSTEM

12 CFR Part 261

[Docket No. R-0975]

Rules Regarding Availability of Information; Correction

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule; correction.

SUMMARY: The Board of Governors of the Federal Reserve System (Board) published in the **Federal Register** of October 20, 1997, a document which amended the Board's Rules Regarding Availability of Information (Rules). This document corrects citation errors within the Rules.

EFFECTIVE DATE: November 19, 1997.

FOR FURTHER INFORMATION CONTACT: Elaine M. Boutilier, Senior Counsel, 202-452-2418, Legal Division. For the hearing impaired only, contact Diane Jenkins, Telecommunications Device for the Deaf (TDD), 202-452-3544, Board of

Governors of the Federal Reserve System, 20th and Constitution, N.W., Washington, D.C. 20551.

SUPPLEMENTARY INFORMATION: The Board published a document in the **Federal Register** of October 20, 1997, (62 FR 54356). The document (FR Doc. 97-27566) amended the Board's Rules Regarding Availability of Information and contained several incorrect citations. This document also adds an amendatory instruction which will revise citations within subpart C of the Rules to reflect the new renumbering.

In final rule, FR Doc. 97-27566, published on October 20, 1997, (62 FR 54356) make the following corrections:

PART 261—[CORRECTED]

1. On page 54359, in the first column, in the authority citation, line 6, correct "15 U.S.C. 77uu(b)" to read "15 U.S.C. 77uuu(b)".

§ 261.22 [Corrected]

2. On page 54359, in the first column, add amendatory instruction 3a. to read as follows:

a. Newly designated § 261.22 is amended by:

a. In paragraphs (b)(1) introductory text and (b)(2), the reference "§§ 261.11 and 261.12" is removed and "§§ 261.20 and 261.21" is added in its place.

b. In paragraph (d), the reference "§ 261.9" is removed and "§ 261.12" is added each place it appears.

§ 261.1 [Corrected]

3. On page 54359, in the second column, in § 261.1, in paragraph (a)(1), line 22, correct "the Securities and Exchange Act," to read "the Securities and Exchange Commission Authorization Act,".

§ 261.12 [Corrected]

4. On page 54362, in the second column, in § 261.12, in paragraph (b)(3), line 7, correct "§ 261.23(b)(1)(ii)" to read "§ 261.22(b)".

5. On page 54362, in the second column, in § 261.12, paragraph (c)(3), last line, correct "§ 261.17(h)" to read "§ 261.17(f)".

6. On page 54362, in the second column, in § 261.12, paragraph (c)(4), last line, correct "§ 261.23(b)" to read "§ 261.22(b)".

§ 261.17 [Corrected]

7. On page 54366, in the first column, in § 261.17, paragraph (f)(4), last line, correct "§ 261.13(j)" to read "§ 261.13(i)".

By order of the Board of Governors of the Federal Reserve System, November 18, 1997.
William W. Wiles,
Secretary of the Board.
 [FR Doc. 97-30711 Filed 11-21-97; 8:45 am]
 BILLING CODE 6210-01-P

DEPARTMENT OF THE TREASURY

Office of Thrift Supervision

12 CFR Part 566

[No. 97-116]

RIN 1550-AA77

Liquidity

AGENCY: Office of Thrift Supervision, Treasury.

ACTION: Final rule.

SUMMARY: The Office of Thrift Supervision (OTS) is issuing a final rule that updates, simplifies, and streamlines its liquidity regulation. This final rule follows a detailed review of the regulation to determine whether it is necessary, imposes the least possible burden consistent with statutory requirements and safety and soundness, and is written in a clear, straightforward manner. Today's final rule is made pursuant to the Regulatory Reinvention Initiative of the Vice President's National Performance Review and section 303 of the Community Development and Regulatory Improvement Act of 1994.

EFFECTIVE DATE: November 24, 1997.

FOR FURTHER INFORMATION CONTACT: Francis Raue, Program Analyst, (202) 906-5750, Robyn Dennis, Manager, Thrift Policy, (202) 906-5751, Supervision Policy, or Susan Miles, Attorney, (202) 906-6798, Karen Osterloh, Assistant Chief Counsel, (202) 906-6639, Regulations and Legislation Division, Chief Counsel's Office, Office of Thrift Supervision, 1700 G Street, NW, Washington, DC 20552.

SUPPLEMENTARY INFORMATION:

I. Background

Section 6 of the Home Owners' Loan Act (HOLA)¹ requires savings associations to hold a prescribed amount of statutorily defined liquid assets. The Director of the OTS may, by regulation, vary the amount of the liquidity requirement, but only within pre-established statutory limits. The requirement must be no less than four percent and no greater than ten percent of "the obligation of the institution on withdrawable accounts and borrowings

payable on demand or with unexpired maturities of one year or less."² The Director may issue regulations defining the terms used in the statute, prescribing or limiting the extent to which certain assets included on the statutory liquidity list may be used to meet the liquidity requirement, and prescribing how to calculate the liquidity requirement.

Regulations implementing the Director's authority under section 6 of the HOLA appear at 12 CFR part 566 (1997). These rules define liquid assets to include cash and certain securities with detailed maturity limitations and marketability requirements.³ The rules currently impose a liquidity requirement of five percent of an institution's liquidity base and a separate, "short-term" liquidity requirement of one percent of that base. The liquidity base is defined as net withdrawable accounts plus short-term borrowings. Except for institutions with less than \$25,000,000 in assets, liquidity requirements are based on the "average daily balance" of the liquidity base during the preceding month. Institutions with less than \$25,000,000 in assets may calculate their liquidity base using month-end figures.

On May 14, 1997, the OTS published a notice of proposed rulemaking (NPR) seeking comment on its liquidity regulation.⁴ The OTS sought to reduce the burden of compliance with the statutory liquidity requirement to the maximum extent possible, consistent with statutory requirements and safety and soundness considerations. Specifically, the OTS proposed to: (1) reduce the liquidity requirement from five percent of net withdrawable accounts and short-term borrowings to four percent; (2) remove the one percent short-term liquidity requirement; (3) set forth an explicit requirement that thrifts maintain a safe and sound level of liquidity; (4) streamline the calculations used to measure compliance with the liquidity requirement; (5) expand the categories of liquid assets that may count toward satisfying a savings association's liquidity requirement; and (6) reduce the liquidity base by excluding withdrawable accounts payable in more than one year from the definition of the term "net withdrawable accounts."

II. Summary of Comments and Description of the Final Rule

The public comment period on the proposed rule closed on July 14, 1997.

The OTS received twelve comments on its proposal. Commenters included eight savings associations, two trade associations, one holding company, and one individual. Commenters generally concurred that the statutory liquidity requirement imposes an unnecessary burden on institutions and no longer serves any useful purpose. Seven commenters specifically urged the OTS to continue to seek legislation that would eliminate this requirement. Two of these commenters urged the elimination of the requirement for institutions rated 1 or 2 under the CAMELS system.

Eleven commenters supported the proposed rule. These commenters generally concluded that the proposed rule would reduce the regulatory burden to the extent permitted by the statute, while maintaining the safety and soundness of institutions. Several commenters suggested revisions to the proposed rule which are discussed below. One commenter opposed the proposed rule.

Today's final rule is substantially similar to the May proposal, but incorporates several changes and clarifications in response to comments received. Specific comments are discussed where appropriate in the analysis below.

A. Reducing the Liquid Asset Requirement From Five to Four Percent and Removing the One Percent Short-Term Requirement

The OTS proposed to reduce the liquid asset requirement from five percent of the liquidity base to four percent, the lowest percentage permissible by statute. Additionally, the OTS proposed to eliminate the one percent short-term liquidity requirement, which is not mandated by statute. The agency believed that these changes were consistent with safety and soundness and the goal of reducing unnecessary burdens on the industry.

Commenters generally supported the reduction of the liquid asset requirement and the elimination of the short term liquidity requirement. One commenter noted that the OTS would retain sufficient flexibility through its examination process to determine the proper amount of liquid assets to support safe and sound operations. One commenter expressed general concern about this change, but did not cite specific reasons for its concern. These changes are adopted as proposed.

B. Adding a General Safety and Soundness Requirement

The OTS proposed to incorporate a general requirement that a savings

² 12 U.S.C. 1465(b)(2).

³ 12 CFR 566.1(g) (1997).

⁴ 62 FR 26449.

¹ 12 U.S.C. 1465.