

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 April 3, 1998.

**A. Federal Reserve Bank of**

**Philadelphia** (Michael E. Collins, Senior Vice President) 100 North 6th Street, Philadelphia, Pennsylvania 19105-1521:

1. *Citizens & Northern Corporation*, Wellsboro, Pennsylvania; to acquire 10 percent of the voting shares of First National Bank of Canton, Canton, Pennsylvania.

**B. Federal Reserve Bank of**

**Richmond** (A. Linwood Gill III, Assistant Vice President) 701 East Byrd Street, Richmond, Virginia 23261-4528:

1. *America's First Bancorp, Inc.*, Washington, D.C.; to become a bank holding company by acquiring 100 percent of the voting shares of America's First Bank, N.A., Washington, D.C. (in organization).

**C. Federal Reserve Bank of Atlanta** (Lois Berthaume, Vice President) 104 Marietta Street, N.W., Atlanta, Georgia 30303-2713:

1. *State of Franklin Bancshares, Inc.*, Johnson City, Tennessee; to become a bank holding company by acquiring 100 percent of the voting shares of State of Franklin Savings Bank, Johnson City, Tennessee.

Board of Governors of the Federal Reserve System, March 5, 1998.

**Jennifer J. Johnson,**

*Deputy Secretary of the Board.*

[FR Doc. 98-6104 Filed 3-9-98; 8:45 am]

BILLING CODE 6210-01-F

## FEDERAL RESERVE SYSTEM

### Notice of Proposals to Engage in Permissible Nonbanking Activities or to Acquire Companies that are Engaged in Permissible Nonbanking Activities

The companies listed in this notice have given notice under section 4 of the Bank Holding Company Act (12 U.S.C. 1843) (BHC Act) and Regulation Y, (12 CFR Part 225) to engage *de novo*, or to acquire or control voting securities or

assets of a company, including the companies listed below, that engages either directly or through a subsidiary or other company, in a nonbanking activity that is listed in § 225.28 of Regulation Y (12 CFR 225.28) or that the Board has determined by Order to be closely related to banking and permissible for bank holding companies. Unless otherwise noted, these activities will be conducted throughout the United States.

Each notice is available for inspection at the Federal Reserve Bank indicated. The notice also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the question whether the proposal complies with the standards of section 4 of the BHC Act.

Unless otherwise noted, comments regarding the applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than March 24, 1998.

**A. Federal Reserve Bank of**

**Minneapolis** (Karen L. Grandstrand, Vice President) 90 Hennepin Avenue, P.O. Box 291, Minneapolis, Minnesota 55480-0291:

1. *U.S. Bancorp*, Minneapolis, Minnesota; to acquire Piper Jaffray Companies, Inc., Minneapolis, Minnesota, and its subsidiaries and thereby engage in certain nonbanking activities. The nonbanking activities and companies involved in the transaction are listed in the notice, and the nonbanking activities include: underwriting and dealing in, to a limited extent, all types of debt and equity securities other than shares of open-end investment companies (See *J.P. Morgan & Co., Inc., et al.*, 75 Fed. Res. Bull. 192 (1989)); extending credit and servicing loans, pursuant to § 225.28(b)(1) of the Board's Regulation Y; activities related to extending credit, pursuant to § 225.28(b)(2) of the Board's Regulation Y; leasing personal or real property, pursuant to § 225.28(b)(3) of the Board's Regulation Y; performing functions or activities that may be performed by a trust company, pursuant to § 225.28(b)(5) of the Board's Regulation Y; financial and investment advisory activities, pursuant to § 225.28(b)(6) of the Board's Regulation Y; providing securities brokerage, riskless principal, private placement, futures commission merchant and other agency transactional services, pursuant to § 225.28(b)(7) of the Board's Regulation Y; underwriting and dealing in government obligations and other obligations that state member banks may underwrite and deal in, engaging in investment and trading activities, and buying and selling bullion and related activities,

pursuant to § 225.28(b)(8) of the Board's Regulation Y; management consulting and counseling activities, pursuant to § 225.28(b)(9) of the Board's Regulation Y; insurance agency activities, pursuant to § 225.28(b)(11)(vii) of the Board's Regulation Y; providing administrative services to open-end investment companies (See *Bankers Trust New York Corporation*, 83 Fed. Res. Bull. 780 (1997); *Mellon Bank Corporation*, 79 Fed. Res. Bull. 626 (1993)); acting as the general partner of private investment limited partnerships in accordance with the BHC Act and the Board's decisions thereunder (See *Norwest Corporation*, 81 Fed. Res. Bull. 1128 (1995); *Meridian Bancorp*, 80 Fed. Res. Bull. 736 (1994)); and acquiring Piper Jaffray International, Inc., Minneapolis, Minnesota, and thereby operating a broker/dealer business in the United Kingdom, pursuant to § 211.5 of the Board's Regulation K.

Board of Governors of the Federal Reserve System, March 4, 1998.

**Jennifer J. Johnson,**

*Deputy Secretary of the Board.*

[FR Doc. 98-6014 Filed 3-9-98; 8:45 am]

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## FEDERAL RESERVE SYSTEM

### Notice of Proposals to Engage in Permissible Nonbanking Activities or to Acquire Companies that are Engaged in Permissible Nonbanking Activities

The companies listed in this notice have given notice under section 4 of the Bank Holding Company Act (12 U.S.C. 1843) (BHC Act) and Regulation Y, (12 CFR Part 225) to engage *de novo*, or to acquire or control voting securities or assets of a company, including the companies listed below, that engages either directly or through a subsidiary or other company, in a nonbanking activity that is listed in § 225.28 of Regulation Y (12 CFR 225.28) or that the Board has determined by Order to be closely related to banking and permissible for bank holding companies. Unless otherwise noted, these activities will be conducted throughout the United States.

Each notice is available for inspection at the Federal Reserve Bank indicated. The notice also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the question whether the proposal complies with the standards of section 4 of the BHC Act.

Unless otherwise noted, comments regarding the applications must be received at the Reserve Bank indicated

or the offices of the Board of Governors not later than March 25, 1998.

**A. Federal Reserve Bank of St. Louis** (Randall C. Sumner, Vice President) 411 Locust Street, St. Louis, Missouri 63102-2034:

1. *New Independent Bancshares, Inc.*, New Washington, Indiana; to engage *de novo* through its subsidiary, New Washington Reinsurance Company, Ltd., New Washington, Indiana, in the reinsurance of credit life, credit health, and accident insurance directly related to extensions of credit by its wholly owned subsidiary bank and limited to ensuring the repayment of the outstanding balance due on the extension of credit in the event of the death, disability, or involuntary unemployment of the debtor, pursuant to § 225.28(b)(11)(i) of the Board's Regulation Y.

Board of Governors of the Federal Reserve System, March 5, 1998.

**Jennifer J. Johnson,**

*Deputy Secretary of the Board.*

[FR Doc. 98-6106 Filed 3-9-98; 8:45 am]

BILLING CODE 6210-01-F

## FEDERAL RESERVE SYSTEM

[Docket No. R-0922]

### Federal Reserve Uniform Cash Access Policy

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Policy statement.

**SUMMARY:** The Board has revised its cash access policy to clarify the base level of free currency access to all depository institutions in an interstate branching environment. Each depository institution will be able to designate up to ten endpoints to receive free currency access from each Reserve Bank office. The revised policy provides flexibility to depository institutions to make the most cost-effective arrangements for obtaining cash services from Reserve Bank offices. The Board has also delegated authority to the director of the Division of Reserve Bank Operations and Payment Systems to interpret the cash access policy.

**EFFECTIVE DATE:** May 4, 1998.

**FOR FURTHER INFORMATION CONTACT:** Jon J. Cameron, Manager (202/452-2220) or Kathleen M. Connor, Senior Financial Services Analyst (202/452-3917), Cash Section, Division of Reserve Bank Operations and Payment Systems; for the hearing impaired *only*: Telecommunications Device for the Deaf, Diane Jenkins (202/452-3544).

## SUPPLEMENTARY INFORMATION:

### I. Background

In April 1996, the Board approved a new cash access policy that becomes effective on May 4, 1998 (61 FR 19062, April 30, 1996). The policy provides greater consistency in Reserve Bank cash service levels than currently exists. The policy provides for a base level of free currency access to all depository institutions, but restricts the number of offices served and the frequency of access. Depository institution offices that meet minimum volume thresholds will be able to obtain more frequent free access. Fees will be charged for additional access beyond the free service level. The policy applies only to currency deposits and orders, and does not include coin deposits and orders.

Since approval of the policy, issues have arisen regarding implementation in an interstate branching environment. The issues relate to the definition of endpoints eligible for free access. The April 1996 policy allowed each depository institution with a banking presence in a Federal Reserve office territory to designate up to ten offices to receive free cash access (deposit and order) from the local Reserve Bank office (i.e., the Reserve Bank office in whose territory the institution's office is located). Depository institutions asked Reserve Bank offices whether they could receive cash services from non-local Reserve Bank offices. It may be more economical for some depository institutions to use a non-local Reserve Bank office. For example, some depository institutions serve as correspondent banks for respondent banks in other Federal Reserve territories. There also are depository institutions that are geographically closer to non-local Reserve Bank offices. In addition, depository institutions asked if an automated teller machine (ATM) network or subset of a network could be designated as an office to receive free cash access.

In order to address these issues, the Board has revised the April 1996 policy.

### II. Discussion

The Board has revised its cash access policy within the following framework: (1) the policy continues to provide consistency in the cash service levels provided by Reserve Bank offices to depository institutions; (2) the base level of free cash services continues to be consistent with a wholesale role for the Reserve Banks, which implies that a large depository institution is responsible for servicing its own branch network; and (3) the policy provides flexibility to depository institutions to make the most cost-effective

arrangements for obtaining cash services from Reserve Bank offices.

Under the revised policy, each depository institution can designate up to ten endpoints to receive free cash access service from each Reserve Bank office. A depository institution may not designate an endpoint to receive free cash access from more than one Reserve Bank office. A designated endpoint may be a branch, head office, a money room and/or an armored carrier used by the depository institution to provide cash. Individual ATM locations are not eligible for designation as endpoints. If a depository institution uses an armored carrier to service ATMs, the armored carrier may be designated as an endpoint. Beyond the ten endpoints, Reserve Bank offices will continue to provide free cash access to large endpoints whose volumes exceed a specified threshold.

The revised policy provides flexibility to depository institutions to make the most cost-effective arrangements for obtaining cash services from Reserve Bank offices. For some depository institutions, it may be more economical to use a non-local Reserve Bank office.

The Board continues to believe that implementation of the policy will not materially affect the Reserve Banks' costs of providing cash services. Aggregate cash receipts and disbursements are expected to remain unchanged.

The Board has delegated authority to the director of the Division of Reserve Bank Operations and Payment Systems to interpret the cash access policy, and has permitted the director to further delegate this authority to the Reserve Banks' Financial Services Policy Committee. Other aspects of the policy remain unchanged.

### III. Effective Date

The revised cash access policy becomes effective on May 4, 1998.

### IV. Competitive Impact Analysis

The Board assesses the competitive impact of changes that may have a substantial effect on payment system participants. In particular, the Board assesses whether a proposed change would have a direct and material adverse effect on the ability of other service providers to compete effectively with the Federal Reserve Banks in providing similar services and whether such effects are due to legal differences or due to a dominant market position deriving from such legal differences.

It is highly unlikely that the revised policy will result in any significant shift to Federal Reserve cash services away from private-sector providers. Private-