

Rules and Regulations

Federal Register

Vol. 64, No. 196

Tuesday, October 12, 1999

This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.

The Code of Federal Regulations is sold by the Superintendent of Documents. Prices of new books are listed in the first FEDERAL REGISTER issue of each week.

FEDERAL ELECTION COMMISSION

[Notice 1999-19]

11 CFR Part 110

Treatment of Limited Liability Companies Under the Federal Election Campaign Act

AGENCY: Federal Election Commission.

ACTION: Final rule; announcement of effective date.

SUMMARY: On July 12, 1999, the Commission published the text of revised regulations that address the treatment of limited liability companies for purposes of the Federal Election Campaign Act. 64 FR 37397. The Commission announces that these rules are effective as of November 12, 1999.

EFFECTIVE DATE: November 12, 1999.

FOR FURTHER INFORMATION CONTACT: Mr. N. Bradley Litchfield, Associate General Counsel, or Ms. Rita A. Reimer, Attorney, 999 E Street, N.W., Washington, D.C. 20463, (202) 694-1650 or toll free (800) 424-9530.

SUPPLEMENTARY INFORMATION: The Commission is announcing the effective date of new regulations at 11 CFR 110.1(g) that address the treatment of limited liability companies ("LLC") under the Federal Election Campaign Act. LLCs are non-corporate business entities, created under State law, that have characteristics of both partnerships and corporations. The new rules provide that LLCs will be treated as either partnerships or corporations for FECA purposes, consistent with the tax treatment they select under the Internal Revenue Code.

Section 438(d) of Title 2, United States Code, requires that any rules or regulations prescribed by the Commission to implement Title 2 of the United States Code be transmitted to the Speaker of the House of Representatives and the President of the Senate thirty

legislative days prior to final promulgation. The revisions to 11 CFR 110.1 were transmitted to Congress on June 25, 1999. Thirty legislative days expired in the Senate and the House of Representatives on September 24, 1999.

Announcement of Effective Date: 11 CFR 110.1(g), as published at 64 FR 37397 (July 12, 1999), is effective as of November 12, 1999.

Dated: October 5, 1999.

Scott E. Thomas,

Chairman, Federal Election Commission.

[FR Doc. 99-26281 Filed 10-8-99; 8:45 am]

BILLING CODE 6715-01-P

FEDERAL HOUSING FINANCE BOARD

12 CFR Part 910

[No. 99-51]

RIN 3069-AA78

Allocation of Joint and Several Liability on Consolidated Obligations Among the Federal Home Loan Banks

AGENCY: Federal Housing Finance Board.

ACTION: Final rule.

SUMMARY: The Federal Housing Finance Board (Finance Board) is amending its rule governing the issuance of consolidated obligations, *i.e.*, bonds, notes or debentures (COs) by the Finance Board pursuant to section 11 of the Federal Home Loan Bank Act (Act), 12 U.S.C. 1431, to establish a framework for the orderly allocation of joint and several liability for the COs among the Federal Home Loan Banks (Banks). The final rule adds new provisions to the Finance Board's regulations and is intended to protect holders of COs to the greatest extent practicable by providing a framework to ensure the continued timely payment of all principal and interest on COs in the unlikely event of the projected or actual inability of a Bank to meet its debt service payment obligations.

DATES: This final rule is effective on November 12, 1999.

FOR FURTHER INFORMATION CONTACT: Joseph A. McKenzie, Deputy Chief Economist, Office of Policy, Research and Analysis, by telephone at (202) 408-2845 or by electronic mail at mckenziej@fhfb.gov, or Charlotte A.

Reid, Special Counsel, Office of General Counsel, by telephone at (202) 408-2510 or by electronic mail at reidc@fhfb.gov, or by regular mail at the Federal Housing Finance Board, 1777 F Street, N.W., Washington, DC 20006.

SUPPLEMENTARY INFORMATION:

I. The Proposed Rule

On February 11, 1999, the Finance Board published for comment a proposed rule to amend its Consolidated Bonds and Debentures Regulation (CO Regulation), 12 CFR part 910, to outline a framework for the orderly allocation of joint and several liability among the Banks on COs issued by the Finance Board pursuant to section 11 of the Act, 12 U.S.C. 1431. 64 FR 6819 (Feb. 11, 1999). The sixty-day public comment period closed on April 12, 1999. The Finance Board received thirteen comment letters: twelve from Banks and one from a member institution. The commenters, noting the stability and financial strength of the Bank System, generally supported the goal of the proposed rule, but expressed nearly uniform objection to the certification and reporting requirements and requested other changes.

The Act provides plenary authority to the Finance Board in connection with the issuance of COs, for which the Banks are jointly and severally liable. Section 11 of the Act authorizes the Finance Board to issue rules and regulations governing the issuance of COs. *See* 12 U.S.C. 1431(a). Pursuant to the authority set forth in section 11(b) and (c) of the Act, the Finance Board may issue consolidated Bank debentures or bonds which "shall be the joint and several obligations of all the Federal Home Loan Banks, and shall be secured and be issued upon such terms and conditions as the [Finance] Board may prescribe." *See id.* at 1431(b) and (c). Moreover, section 11(d) of the Act provides that the Finance Board shall have full power to require the Banks to "deposit additional collateral or to make substitutions of collateral or to adjust equities between the Federal Home Loan Banks." *Id.* at 1431(d). The Act makes clear that COs are not the obligations of and are not guaranteed by the United States. *See id.* at 1435. The Banks collectively are the sole obligors on COs. Finance Board regulations governing the issuance of COs are set forth in 12 CFR parts 910 and 941.