

to the 20 percent risk weight category. In general, these are privately-issued mortgage-backed securities that are rated in one of the two highest rating categories, e.g., AA or better, by at least one nationally recognized statistical rating organization.

The four agencies' previously mentioned March 8, 2000, proposed risk-based capital amendments include a multi-level approach for determining the capital requirements for positions in securitizations, including privately-issued mortgage-backed securities, according to their relative risk exposure. Under this approach, mortgage-backed securities in the two highest rating categories would be assigned to the 20 percent risk category. If the agencies were to adopt this approach in any final rule resulting from the proposal, this interagency difference would be eliminated.

B.9. Nonresidential Construction and Land Loans

The banking agencies assign loans for nonresidential real estate development and construction purposes to the 100 percent risk weight category. The OTS generally assigns these loans to the same 100 percent risk category. However, if the amount of the loan exceeds 80 percent of the fair value of the property, the OTS deducts the excess portion from assets and total capital.

B.10. "Covered Assets"

The banking agencies generally place assets subject to guarantee arrangements by the FDIC or the former Federal Savings and Loan Insurance Corporation in the 20 percent risk weight category. The OTS places these "covered assets" in the zero percent risk-weight category.

B.11. Pledged Deposits and Nonwithdrawable Accounts

The OTS' capital standards permit savings associations to include pledged deposits and nonwithdrawable accounts that meet OTS' criteria, Income Capital Certificates, and Mutual Capital Certificates in regulatory capital.

Instruments such as pledged deposits, nonwithdrawable accounts, Income Capital Certificates, and Mutual Capital Certificates do not exist in the banking industry and are not addressed in the banking agencies' capital standards.

C. Differences in Accounting Standards Among the Federal Banking and Thrift Agencies

C.1. Push Down Accounting

Push down accounting is the establishment of a new accounting basis for a depository institution in its separate financial statements as a result

of a substantive change in control. Under push down accounting, when a depository institution is acquired in a purchase (but not in a pooling of interests), yet retains its separate corporate existence, the assets and liabilities of the acquired institution are restated to their fair values as of the acquisition date. These values, including any goodwill, are reflected in the separate financial statements of the acquired institution as well as in any consolidated financial statements of the institution's parent.

The banking agencies require push down accounting when there is at least a 95 percent change in ownership. This approach is generally consistent with accounting interpretations issued by the staff of the Securities and Exchange Commission.

The OTS requires push down accounting when there is at least a 90 percent change in ownership.

C.2. Negative Goodwill

Under Accounting Principles Board Opinion No. 16, "Business Combinations," negative goodwill arises when the fair value of the net assets acquired in a purchase business combination exceeds the cost of the acquisition and a portion of this excess remains after the values otherwise assignable to the acquired noncurrent assets have been reduced to zero.

The banking agencies require negative goodwill to be reported as a liability on the balance sheet and do not permit it to be netted against any goodwill that is included as an asset. This ensures that all goodwill assets are deducted in regulatory capital calculations consistent with the Basel Accord.

The OTS permits negative goodwill to offset goodwill assets on the balance sheet.

Dated at Washington, D.C., this 26th day of June, 2000.

Federal Deposit Insurance Corporation.

Robert E. Feldman,

Executive Secretary.

[FR Doc. 00-16575 Filed 6-29-00; 8:45 am]

BILLING CODE 6714-01-P

FEDERAL RESERVE

Sunshine Act meeting; Notice

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

TIME AND DATE: 10:00 a.m., Wednesday, July 5, 2000.

PLACE: Marriner S. Eccles Federal Reserve Board Building, 20th and C 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 matters carried forward from a previously announced meeting.

CONTACT PERSON FOR MORE INFORMATION: Lynn S. Fox, Assistant to the Board; 202-452-3204.

SUPPLEMENTARY INFORMATION: You may call 202-452-3206 beginning at approximately 5 p.m. two business days before the meeting for a recorded announcement of bank and bank holding company applications scheduled for the meeting; or you may contact the Board's Web site at <http://www.federalreserve.gov> for an electronic announcement that not only lists applications, but also indicates procedural and other information about the meeting.

Dated: June 28, 2000.

Robert deV. Frierson,

Associate Secretary of the Board.

[FR Doc. 00-16714 Filed 6-28-00; 10:44 am]

BILLING CODE 6210-01-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Communicable Diseases Advisory Council; Establishment

AGENCY: Department of Health and Human Services.

ACTION: Notice of establishment of advisory council.

SUMMARY: The Secretary of Health and Human Services has established the Communicable Diseases Advisory Council (CDAC) to provide advice on communicable diseases, regulations, and related matters, formerly provided by the National Advisory Health Council (NAHC) for control of communicable diseases pursuant to section 361 of the Public Health Service (PHS) Act. The members of the CDAC are the Assistant Secretary for Health, the Surgeon General of the Public Health Service, the Director of the National Institutes of Health, the Director of the Centers for Disease Control and Prevention, the Commissioner of Food and Drugs, the Director of the National Institute of Allergy and Infectious Diseases, and the Director of the National Center for Infectious Diseases. The CDAC is chaired by the Assistant Secretary for Health. Section 361 of the PHS Act (42 U.S.C. 264) requires certain advisory