

105TH CONGRESS
1ST SESSION

H. R. 1461

To facilitate recovery from the recent flooding of the Red River and its tributaries by providing greater flexibility for depository institutions and their regulators, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 24, 1997

Mr. VENTO (for himself, Mr. PETERSON of Minnesota, Mr. OBERSTAR, Mr. SABO, Mr. POMEROY, and Mr. MINGE) introduced the following bill; which was referred to the Committee on Banking and Financial Services

A BILL

To facilitate recovery from the recent flooding of the Red River and its tributaries by providing greater flexibility for depository institutions and their regulators, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Depository Institutions
5 Disaster Relief Act of 1997”.

1 **SEC. 2. TRUTH IN LENDING ACT; EXPEDITED FUNDS AVAIL-**
2 **ABILITY ACT.**

3 (a) TRUTH IN LENDING ACT.—During the 240-day
4 period beginning on the date of enactment of this Act, the
5 Board of Governors of the Federal Reserve System may
6 make exceptions to the Truth in Lending Act for trans-
7 actions within an area in which the President, pursuant
8 to section 401 of the Robert T. Stafford Disaster Relief
9 and Emergency Assistance Act, has determined, on or
10 after February 28, 1997, that a major disaster exists, or
11 within an area determined to be eligible for disaster relief
12 under other Federal law by reason of damage related to
13 the 1997 flooding of the Red River and its tributaries,
14 if the Board determines that the exception can reasonably
15 be expected to alleviate hardships to the public resulting
16 from such disaster that outweigh possible adverse effects.

17 (b) EXPEDITED FUNDS AVAILABILITY ACT.—During
18 the 240-day period beginning on the date of enactment
19 of this Act, the Board of Governors of the Federal Reserve
20 System may make exceptions to the Expedited Funds
21 Availability Act for depository institution offices located
22 within any area referred to in subsection (a) of this section
23 if the Board determines that the exception can reasonably
24 be expected to alleviate hardships to the public resulting
25 from such disaster that outweigh possible adverse effects.

1 (c) TIME LIMIT ON EXCEPTIONS.—Any exception
2 made under this section shall expire not later than Sep-
3 tember 1, 1998.

4 (d) PUBLICATION REQUIRED.—The Board of Gov-
5 ernors of the Federal Reserve System shall publish in the
6 Federal Register a statement that—

7 (1) describes any exception made under this
8 section; and

9 (2) explains how the exception can reasonably
10 be expected to produce benefits to the public that
11 outweigh possible adverse effects.

12 **SEC. 3. DEPOSIT OF INSURANCE PROCEEDS.**

13 (a) IN GENERAL.—The appropriate Federal banking
14 agency may, by order, permit an insured depository insti-
15 tution to subtract from the institution's total assets, in
16 calculating compliance with the leverage limit prescribed
17 under section 38 of the Federal Deposit Insurance Act,
18 an amount not exceeding the qualifying amount attrib-
19 utable to insurance proceeds, if the agency determines
20 that—

21 (1) the institution—

22 (A) had its principal place of business
23 within an area in which the President, pursuant
24 to section 401 of the Robert T. Stafford Disas-
25 ter Relief and Emergency Assistance Act, has

determined, on or after February 28, 1997, that a major disaster exists, or within an area determined to be eligible for disaster relief under other Federal law by reason of damage related to the 1997 flooding of the Red River and its tributaries, on the day before the date of any such determination;

(B) derives more than 60 percent of its total deposits from persons who normally reside within, or whose principal place of business is normally within, areas of intense devastation caused by the major disaster;

(C) was adequately capitalized (as defined in section 38 of the Federal Deposit Insurance Act) before the major disaster; and

(D) has an acceptable plan for managing the increase in its total assets and total deposits; and

(2) the subtraction is consistent with the purpose of section 38 of the Federal Deposit Insurance Act.

(b) TIME LIMIT ON EXCEPTIONS.—Any exception made under this section shall expire not later than February 28, 1999.

(c) DEFINITIONS.—For purposes of this section:

1 (1) APPROPRIATE FEDERAL BANKING AGEN-
2 CY.—The term “appropriate Federal banking agen-
3 cy” has the same meaning as in section 3 of the
4 Federal Deposit Insurance Act.

5 (2) INSURED DEPOSITORY INSTITUTION.—The
6 term “insured depository institution” has the same
7 meaning as in section 3 of the Federal Deposit In-
8 surance Act.

9 (3) LEVERAGE LIMIT.—The term “leverage
10 limit” has the same meaning as in section 38 of the
11 Federal Deposit Insurance Act.

12 (4) QUALIFYING AMOUNT ATTRIBUTABLE TO
13 INSURANCE PROCEEDS.—The term “qualifying
14 amount attributable to insurance proceeds” means
15 the amount (if any) by which the institution’s total
16 assets exceed the institution’s average total assets
17 during the calendar quarter ending before the date
18 of any determination referred to in subsection
19 (a)(1)(A), because of the deposit of insurance pay-
20 ments or governmental assistance made with respect
21 to damage caused by, or other costs resulting from,
22 the major disaster.

23 **SEC. 4. BANKING AGENCY PUBLICATION REQUIREMENTS.**

24 (a) IN GENERAL.—A qualifying regulatory agency
25 may take any of the following actions with respect to de-

1 pository institutions or other regulated entities whose
2 principal place of business is within, or with respect to
3 transactions or activities within, an area in which the
4 President, pursuant to section 401 of the Robert T. Staf-
5 ford Disaster Relief and Emergency Assistance Act, has
6 determined, on or after February 28, 1997, that a major
7 disaster exists, or within an area determined to be eligible
8 for disaster relief under other Federal law by reason of
9 damage related to the 1997 flooding of the Red River and
10 its tributaries, if the agency determines that the action
11 would facilitate recovery from the major disaster:

12 (1) PROCEDURE.—Exercising the agency’s au-
13 thority under provisions of law other than this sec-
14 tion without complying with—

15 (A) any requirement of section 553 of title
16 5, United States Code; or

17 (B) any provision of law that requires no-
18 tice or opportunity for hearing or sets maxi-
19 mum or minimum time limits with respect to
20 agency action.

21 (2) PUBLICATION REQUIREMENTS.—Making ex-
22 ceptions, with respect to institutions or other entities
23 for which the agency is the primary Federal regu-
24 lator, to—

1 (A) any publication requirement with re-
2 spect to establishing branches or other deposit-
3 taking facilities; or

4 (B) any similar publication requirement.

5 (b) PUBLICATION REQUIRED.—A qualifying regu-
6 latory agency shall publish in the Federal Register a state-
7 ment that—

8 (1) describes any action taken under this sec-
9 tion; and

10 (2) explains the need for the action.

11 (c) QUALIFYING REGULATORY AGENCY DEFINED.—
12 For purposes of this section, the term “qualifying regu-
13 latory agency” means—

14 (1) the Board of Governors of the Federal Re-
15 serve System;

16 (2) the Comptroller of the Currency;

17 (3) the Director of the Office of Thrift Super-
18 vision;

19 (4) the Federal Deposit Insurance Corporation;

20 (5) the Financial Institutions Examination
21 Council;

22 (6) the National Credit Union Administration;
23 and

24 (7) with respect to chapter 53 of title 31, Unit-
25 ed States Code, the Secretary of the Treasury.

1 (d) EXPIRATION.—Any exception made under this
2 section shall expire not later than February 28, 1998.

3 **SEC. 5. SENSE OF THE CONGRESS.**

4 It is the sense of the Congress that the Board of Gov-
5 ernors of the Federal Reserve System, the Comptroller of
6 the Currency, the Director of the Office of Thrift Super-
7 vision, the Federal Deposit Insurance Corporation, and
8 the National Credit Union Administration should encour-
9 age depository institutions to meet the financial services
10 needs of their communities and customers located in areas
11 affected by the 1997 flooding of the Red River and its
12 tributaries.

13 **SEC. 6. OTHER AUTHORITY NOT AFFECTED.**

14 No provision of this Act shall be construed as limiting
15 the authority of any department or agency under any
16 other provision of law.

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