

(4) shall consider as indicators of risk, where appropriate, the average reserve levels maintained by or required of banking institutions in foreign countries and secondary market prices for such loans.

**(c) Timing and report**

**(1) Determined by agency**

Except as provided in paragraph (3), each appropriate Federal banking agency shall determine the timing of any addition to reserves required by subsection (a).

**(2) Report**

Each appropriate Federal banking agency shall include in each report required to be made under section 3912(d)<sup>1</sup> of this title after 1989 a report on the actions taken pursuant to this section.

**(3) Deadline**

Each Federal agency required to undertake a review described in subsection (a) shall complete the review not later than December 31, 1990.

**(d) “Highly indebted country” defined**

As used in this section, the term “highly indebted country” means any country designated as a “Highly Indebted Country” in the annual World Debt Tables most recently published by the International Bank for Reconstruction and Development before December 19, 1989.

(Pub. L. 98–181, title I [title IX, §905A], as added Pub. L. 101–240, title IV, §402(b), Dec. 19, 1989, 103 Stat. 2501.)

**Editorial Notes**

**REFERENCES IN TEXT**

Section 3912(d) of this title, referred to in subsec. (c)(2), was repealed by Pub. L. 104–208, div. A, title II, §2224(c), Sept. 30, 1996, 110 Stat. 3009–415.

**Statutory Notes and Related Subsidiaries**

**CONGRESSIONAL FINDINGS**

Pub. L. 101–240, title IV, §402(a), Dec. 19, 1989, 103 Stat. 2501, provided that: “The Congress finds that—

“(1) since the adoption of the International Lending Supervision Act of 1983 [12 U.S.C. 3901 et seq.], the credit quality of loans by United States banking institutions to highly indebted countries has deteriorated and the prospects for full repayment of such loans have diminished;

“(2) in general during this period, the level of country exposure and transfer risk associated with loans by United States banking institutions to highly indebted countries has not been adequately reflected in the reserve levels established by many individual United States banking institutions or the reserve requirements imposed by Federal banking agencies pursuant to such Act;

“(3) during the last 3 years and particularly in recent months, United States banking institutions have increased their reserves for possible losses from loans to highly indebted countries but such reserves remain, in some cases, significantly lower than reserves established by banking institutions in a number of foreign countries and may not be adequate to deal with potential risks; and

“(4) in order to fulfill the purposes of such Act, the Federal banking agencies should take a more active

role in reviewing reserve levels established by United States banking institutions for potential losses from loans to highly indebted countries and in requiring appropriate levels of both special and general reserves to reflect the increased risk of such loans.”

**§ 3905. Accounting for fees on international loans**

(a)(1) In order to avoid excessive debt service burdens on debtor countries, no banking institution shall charge, in connection with the restructuring of an international loan, any fee exceeding the administrative cost of the restructuring unless it amortizes such fee over the effective life of each such loan.

(2)(A) Each appropriate Federal banking agency shall promulgate such regulations as are necessary to further carry out the provisions of this subsection.

(B) The requirement of paragraph (1) shall take effect on November 30, 1983.

(b)(1) Subject to subsection (a), the appropriate Federal banking agencies shall promulgate regulations for accounting for agency, commitment, management and other fees charged by a banking institution in connection with an international loan.

(2) Such regulations shall establish the accounting treatment of such fees for regulatory, supervisory, and disclosure purposes to assure that the appropriate portion of such fees is accrued in income over the effective life of each such loan.

(3) The appropriate Federal banking agencies shall promulgate regulations or orders necessary to implement this subsection within one hundred and twenty days after November 30, 1983.

(Pub. L. 98–181, title I [title IX, §906], Nov. 30, 1983, 97 Stat. 1279.)

**§ 3906. Collection and disclosure of international lending data**

**(a) Submission of information to Federal banking agencies**

Each appropriate Federal banking agency shall require, by regulation, each banking institution with foreign country exposure to submit, no fewer than four times each calendar year, information regarding such exposure in a format prescribed by such regulations.

**(b) Disclosure of information to the public**

Each appropriate Federal banking agency shall require, by regulation, banking institutions to disclose to the public information regarding material foreign country exposure in relation to assets and to capital.

**(c) Regulations and orders of Federal banking agencies**

The appropriate Federal banking agencies shall promulgate regulations or orders necessary to implement this section within one hundred and twenty days after November 30, 1983.

(Pub. L. 98–181, title I [title IX, §907], Nov. 30, 1983, 97 Stat. 1280.)

**§ 3907. Capital adequacy**

(a)(1) Each appropriate Federal banking agency shall cause banking institutions to achieve

<sup>1</sup> See References in Text note below.