

among which a common enterprise exists shall not exceed \$75,000. For purposes of this subsection, “common enterprise” shall have the same meaning as in part 32 of title 12 of the Code of Federal Regulations, or any successor to that part.

(d) Loans totaling less than \$2,000,000

In connection with a loan in which the covered amount of the loan plus the covered amount of all previous loans enrolled by a participating financial institution does not exceed \$2,000,000, the amount of reimbursement by the Fund to the participating State shall not exceed the lesser of—

- (1) 75 percent of the sum of the premium charges paid to the reserve fund by the borrower and the participating financial institution; or
- (2) 5.25 percent of the covered amount of the loan.

(e) Loans totaling more than \$2,000,000

In connection with a loan in which the sum of the covered amounts of all previous loans enrolled by the participating financial institution in the Program equals or exceeds \$2,000,000, the amount of reimbursement to be provided by the Fund to the participating State shall not exceed the lesser of—

- (1) 50 percent of the sum of the premium charges paid by the borrower and the participating financial institution; or
- (2) 3.5 percent of the covered amount of the loan.

(f) Other amounts

In connection with the enrollment of a loan that will cause the aggregate covered amount of all enrolled loans to exceed \$2,000,000, the amount of reimbursement by the Fund to the participating State shall be determined—

- (1) by applying subsection (d) to the portion of the loan, which when added to the aggregate covered amount of all previously enrolled loans equals \$2,000,000; and
- (2) by applying subsection (e) to the balance of the loan.

(Pub. L. 103-325, title II, §257, Sept. 23, 1994, 108 Stat. 2212.)

§ 4748. Reimbursement to Fund

(a) In general

If a participating State withdraws funds from a reserve fund pursuant to terms of the participation agreement permitted by subsection (d) or (r) of section 4745 of this title, such participating State shall, not later than 15 calendar days after such withdrawal, submit to the Fund an amount computed by multiplying the amount withdrawn by the appropriate factor, as determined under subsection (b).

(b) Factor

The appropriate factor shall be obtained by dividing the total amount of contributions that have been made by the participating State to all reserve funds which were subject to reimbursement—

- (1) by 2; and
- (2) by the total amount of contributions made by the participating State to all reserve

funds, including if applicable, contributions that have been made by the State prior to becoming a participating State if the State continued its own capital access program in accordance with section 4743(b) of this title.

(c) Use of reimbursements

The Fund may use funds reimbursed pursuant to this section to make reimbursements under section 4747 of this title.

(Pub. L. 103-325, title II, §258, Sept. 23, 1994, 108 Stat. 2213.)

§ 4749. Regulations

The Fund shall promulgate appropriate regulations to implement this subchapter.

(Pub. L. 103-325, title II, §259, Sept. 23, 1994, 108 Stat. 2214.)

§ 4750. Authorization of appropriations

(a) Amount

There are authorized to be appropriated to the Fund \$50,000,000 to carry out this subchapter.

(b) Budgetary treatment

The amount authorized to be appropriated under subsection (a) shall be subject to discretionary spending caps, as provided in section 665¹ of title 2, and therefore shall reduce by an equal amount funds made available for other discretionary spending programs.

(Pub. L. 103-325, title II, §260, Sept. 23, 1994, 108 Stat. 2214.)

REFERENCES IN TEXT

Section 665 of title 2, referred to in subsec. (b), was repealed by Pub. L. 105-33, title X, §10118(a), Aug. 5, 1997, 111 Stat. 695.

**CHAPTER 48—FINANCIAL INSTITUTIONS
REGULATORY IMPROVEMENT**

Sec. 4801. 4802. 4803. 4804. 4805. 4805a. 4806. 4807. 4808. 4809.	Incorporated definitions. Administrative consideration of burden with new regulations. Streamlining of regulatory requirements. Elimination of duplicative filings. Call report simplification. Call report simplification. Regulatory appeals process, ombudsman, and alternative dispute resolution. Time limit on agency consideration of completed applications. Revising regulatory requirements for transfers of all types of assets with recourse. “Plain language” requirement for Federal banking agency rules.
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§ 4801. Incorporated definitions

Unless otherwise specifically provided in this chapter, for purposes of this chapter—

- (1) the terms “appropriate Federal banking agency”, “Federal banking agencies”, “insured depository institution”, and “State bank supervisor” have the same meanings as in section 1813 of this title; and
- (2) the term “insured credit union” has the same meaning as in section 1752 of this title.

(Pub. L. 103-325, title III, §301, Sept. 23, 1994, 108 Stat. 2214.)

¹ See References in Text note below.

REFERENCES IN TEXT

This chapter, referred to in text, was in original “this title” meaning title III of Pub. L. 103-325, Sept. 23, 1994, 108 Stat. 2214, which enacted this chapter, sections 633 and 2606 of this title, and section 5329 of Title 31, Money and Finance, amended sections 1, 24, 27, 72, 93, 161, 248, 250, 324, 375a, 375b, 482, 1462a, 1464, 1468, 1813, 1815, 1817, 1819 to 1821, 1823, 1828, 1831f, 1831m, 1831p-1, 1831t, 1842, 1843, 1849, 1865, 1953, 2605, 3201, 3205, 3207, 3351, and 4313 of this title and sections 77c, 78c, 1667c, and 1681g of Title 15, Commerce and Trade, enacted provisions set out as notes under this section, sections 24, 633, 1468, 1820, 1831p-1, and 1831t of this title, and sections 78c and 1667c of Title 15, and amended provisions set out as notes under sections 1825 and 1828 of this title. For complete classification of title III to the Code, see Tables.

USE OF SUBORDINATED DEBT TO PROTECT FINANCIAL SYSTEM AND DEPOSIT FUNDS FROM “TOO BIG TO FAIL” INSTITUTIONS

Pub. L. 106-102, title I, §108, Nov. 12, 1999, 113 Stat. 1361, provided that:

“(a) STUDY REQUIRED.—The Board of Governors of the Federal Reserve System and the Secretary of the Treasury shall conduct a study of—

“(1) the feasibility and appropriateness of establishing a requirement that, with respect to large insured depository institutions and depository institution holding companies the failure of which could have serious adverse effects on economic conditions or financial stability, such institutions and holding companies maintain some portion of their capital in the form of subordinated debt in order to bring market forces and market discipline to bear on the operation of, and the assessment of the viability of, such institutions and companies and reduce the risk to economic conditions, financial stability, and any deposit insurance fund;

“(2) if such requirement is feasible and appropriate, the appropriate amount or percentage of capital that should be subordinated debt consistent with such purposes; and

“(3) the manner in which any such requirement could be incorporated into existing capital standards and other issues relating to the transition to such a requirement.

“(b) REPORT.—Before the end of the 18-month period beginning on the date of the enactment of this Act [Nov. 12, 1999], the Board of Governors of the Federal Reserve System and the Secretary of the Treasury shall submit a report to the Congress containing the findings and conclusions of the Board and the Secretary in connection with the study required under subsection (a), together with such legislative and administrative proposals as the Board and the Secretary may determine to be appropriate.

“(c) DEFINITIONS.—For purposes of subsection (a), the following definitions shall apply:

“(1) BANK HOLDING COMPANY.—The term ‘bank holding company’ has the meaning given the term in section 2 of the Bank Holding Company Act of 1956 [12 U.S.C. 1841].

“(2) INSURED DEPOSITORY INSTITUTION.—The term ‘insured depository institution’ has the meaning given the term in section 3(c) of the Federal Deposit Insurance Act [12 U.S.C. 1813(c)].

“(3) SUBORDINATED DEBT.—The term ‘subordinated debt’ means unsecured debt that—

“(A) has an original weighted average maturity of not less than 5 years;

“(B) is subordinated as to payment of principal and interest to all other indebtedness of the bank, including deposits;

“(C) is not supported by any form of credit enhancement, including a guarantee or standby letter of credit; and

“(D) is not held in whole or in part by any affiliate or institution-affiliated party of the insured depository institution or bank holding company.”

STUDY AND REPORT ON ADAPTING EXISTING LEGISLATIVE REQUIREMENTS TO ONLINE BANKING AND LENDING

Pub. L. 106-102, title VII, §729, Nov. 12, 1999, 113 Stat. 1476, provided that:

“(a) STUDY REQUIRED.—The Federal banking agencies shall conduct a study of banking regulations regarding the delivery of financial services, including those regulations that may assume that there will be person-to-person contact during the course of a financial services transaction, and report their recommendations on adapting those existing requirements to online banking and lending.

“(b) REPORT REQUIRED.—Before the end of the 2-year period beginning on the date of the enactment of this Act [Nov. 12, 1999], the Federal banking agencies shall submit a report to the Congress on the findings and conclusions of the agencies with respect to the study required under subsection (a), together with such recommendations for legislative or regulatory action as the agencies may determine to be appropriate.

“(c) DEFINITION.—For purposes of this section, the term ‘Federal banking agencies’ means each Federal banking agency (as defined in section 3(z) of the Federal Deposit Insurance Act [12 U.S.C. 1813(z)]).”

TREASURY REPORT ON REDUCED TAXATION AND VIABILITY OF SMALL BANKS

Pub. L. 105-219, title IV, §403, Aug. 7, 1998, 112 Stat. 935, provided that: “The Secretary [of the Treasury] shall, not later than 1 year after the date of enactment of this Act [Aug. 7, 1998], submit a report to the Congress containing—

“(1) recommendations for such legislative and administrative action as the Secretary deems appropriate, that would reduce and simplify the tax burden for—

“(A) insured depository institutions having less than \$1,000,000,000 in assets; and

“(B) banks having total assets of not less than \$1,000,000,000 nor more than \$10,000,000,000; and

“(2) any other recommendations that the Secretary deems appropriate that would preserve the viability and growth of small banking institutions in the United States.”

STUDY AND REPORT ON CAPITAL STANDARDS AND THEIR IMPACT ON ECONOMY

Pub. L. 103-325, title III, §328, Sept. 23, 1994, 108 Stat. 2230, provided that:

“(a) IN GENERAL.—The Secretary of the Treasury, in consultation with the Federal banking agencies, shall conduct a study of the effect that the implementation of risk-based capital standards for depository institutions, including the Basle international capital standards, is having on—

“(1) the safety and soundness of insured depository institutions;

“(2) the availability of credit, particularly to individuals and small businesses; and

“(3) economic growth.

“(b) REPORT.—

“(1) IN GENERAL.—Before the end of the 1-year period beginning on the date of enactment of this Act [Sept. 23, 1994], the Secretary of the Treasury shall submit a report to the Congress on the findings and conclusions of the Secretary with respect to the study conducted under subsection (a).

“(2) RECOMMENDATIONS.—The report shall contain any recommendations with respect to capital standards that the Secretary of the Treasury may determine to be appropriate.”

STUDY ON IMPACT OF PAYMENT OF INTEREST ON RESERVES

Pub. L. 103-325, title III, §329, Sept. 23, 1994, 108 Stat. 2230, provided that:

“(a) FEDERAL RESERVE STUDY.—Not later than 180 days after the date of enactment of this Act [Sept. 23, 1994], the Board of Governors of the Federal Reserve System, in consultation with the Federal Deposit Insurance Corporation and the National Credit Union Administration Board, shall conduct a study and report to the Congress on—

“(1) the necessity, for monetary policy purposes, of continuing to require insured depository institutions to maintain sterile reserves;

“(2) the appropriateness of paying a market rate of interest to insured depository institutions on sterile reserves or, in the alternative, providing for payment of such interest into the appropriate deposit insurance fund;

“(3) the monetary impact that the failure to pay interest on sterile reserves has had on insured depository institutions, including an estimate of the total dollar amount of interest and the potential income lost by insured depository institutions; and

“(4) the impact that the failure to pay interest on sterile reserves has had on the ability of the banking industry to compete with nonbanking providers of financial services and with foreign banks.

“(b) BUDGETARY IMPACT STUDY.—Not later than 180 days after the date of enactment of this Act [Sept. 23, 1994], the Director of the Office of Management and Budget and the Director of the Congressional Budget Office, in consultation with the Committees on the Budget of the Senate and the House of Representatives, shall jointly conduct a study and report to the Congress on the budgetary impact of—

“(1) paying a market rate of interest to insured depository institutions on sterile reserves; and

“(2) paying such interest into the respective deposit insurance funds.”

STUDY AND REPORT ON CONSUMER CREDIT SYSTEM

Pub. L. 103-325, title III, §330, Sept. 23, 1994, 108 Stat. 2231, provided that:

“(a) STUDY.—The Secretary of the Treasury, in consultation with the Board of Governors of the Federal Reserve System, the Administrator of the Small Business Administration, the Secretary of Housing and Urban Development, and the other Federal banking agencies, shall conduct a study of the process, including any Federal laws, by which credit is made available for consumers and small businesses in order to identify procedures, including any Federal laws, which have the effect of—

“(1) reducing the amount of credit available for such purposes or the number of persons eligible for such credit;

“(2) increasing the level of consumer inconvenience, cost, and time delays in connection with the extension of consumer and small business credit without corresponding benefit with respect to the protection of consumers or small businesses or the safety and soundness of insured depository institutions; and

“(3) increasing costs and burdens on insured depository institutions, insured credit unions, and other lenders without corresponding benefit with respect to the protection of consumers or small business concerns or to the safety and soundness of insured institutions.

“(b) REPORT.—

“(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act [Sept. 23, 1994], the Secretary of the Treasury shall submit a report to the Congress on the findings and conclusions of the Secretary with respect to the study conducted under subsection (a).

“(2) RECOMMENDATIONS.—The report required by paragraph (1) shall contain any recommendations for administrative action or statutory changes that the Secretary of the Treasury may determine to be appropriate.

“(c) PUBLIC PARTICIPATION.—In conducting the study required by subsection (a), comments shall be solicited

from consumers, representatives of consumers, insured depository institutions, insured credit unions, other lenders, and other interested parties.”

STUDY ON CHECK-RELATED FRAUD

Pub. L. 103-325, title III, §333, Sept. 23, 1994, 108 Stat. 2233, provided that:

“(a) STUDY.—The Board of Governors of the Federal Reserve System (hereafter in this section referred to as the ‘Board’) shall conduct a study on the advisability of extending the 1-business-day period specified in section 603(b)(1) of the Expedited Funds Availability Act [12 U.S.C. 4002(b)(1)], regarding availability of funds deposited by local checks, to 2 business days.

“(b) CONSIDERATIONS.—In conducting the study under subsection (a), the Board shall consider—

“(1) whether there is a pattern of significant increases in check-related losses at depository institutions attributable to the provisions of the Expedited Funds Availability Act [12 U.S.C. 4001 et seq.]; and

“(2) whether extension of the time period referred to in subsection (a) is necessary to diminish the volume of any such check-related losses.

“(c) REPORT TO THE CONGRESS.—Not later than 2 years after the date of enactment of this Act [Sept. 23, 1994], the Board shall submit a report to the Congress concerning the results of the study conducted under this section and including any recommendations for legislative action.”

FEASIBILITY STUDY OF DATA BANK

Pub. L. 103-325, title III, §341, Sept. 23, 1994, 108 Stat. 2238, provided that:

“(a) IN GENERAL.—Not later than 18 months after the date of enactment of this Act [Sept. 23, 1994], the Federal Financial Institutions Examination Council shall—

“(1) study the feasibility, including the costs and benefits to insured depository institutions, of establishing and maintaining a data bank for reports submitted by any depository institution to a Federal banking agency; and

“(2) report the results of such study to the Congress.

“(b) ADDITIONAL FACTORS.—The study required under subsection (a) shall consider the feasibility of—

“(1) permitting depository institutions to file reports directly with the data bank; and

“(2) permitting Federal banking agencies, State bank supervisors, and the public to obtain access to any appropriate report on file with the data bank which such agency or supervisor or the public is otherwise authorized to receive.”

TIMELY COMPLETION OF CRA REVIEW

Pub. L. 103-325, title III, §342, Sept. 23, 1994, 108 Stat. 2238, provided that: “The comprehensive regulatory review of the Community Reinvestment Act of 1977 [12 U.S.C. 2901 et seq.] that, as of the date of enactment of this Act [Sept. 23, 1994], is being conducted by the Federal banking agencies, shall be completed at the earliest practicable time.”

WAIVER OF RIGHT OF RESCISSION FOR CERTAIN REFINANCING TRANSACTIONS

Pub. L. 103-325, title III, §344, Sept. 23, 1994, 108 Stat. 2239, provided that: “Not later than 6 months after the date of enactment of this Act [Sept. 23, 1994], the Board of Governors of the Federal Reserve System, in consultation with the consumer advisory council to such Board, consumers, representatives of consumers, lenders, and other interested parties, shall submit recommendations to the Congress regarding whether a waiver or modification, at the option of a consumer, of the right of rescission under section 125 of the Truth in Lending Act [15 U.S.C. 1635] with respect to transactions which constitute a refinancing or consolidation (with no new advances) of the principal balance then due, and any accrued and unpaid finance charges of an

existing extension of credit by a different creditor secured by an interest in the same property, would benefit consumers.”

§ 4802. Administrative consideration of burden with new regulations

(a) Agency considerations

In determining the effective date and administrative compliance requirements for new regulations that impose additional reporting, disclosure, or other requirements on insured depository institutions, each Federal banking agency shall consider, consistent with the principles of safety and soundness and the public interest—

- (1) any administrative burdens that such regulations would place on depository institutions, including small depository institutions and customers of depository institutions; and
- (2) the benefits of such regulations.

(b) Adequate transition period for new regulations

(1) In general

New regulations and amendments to regulations prescribed by a Federal banking agency which impose additional reporting, disclosures, or other new requirements on insured depository institutions shall take effect on the first day of a calendar quarter which begins on or after the date on which the regulations are published in final form, unless—

- (A) the agency determines, for good cause published with the regulation, that the regulation should become effective before such time;
- (B) the regulation is issued by the Board of Governors of the Federal Reserve System in connection with the implementation of monetary policy; or
- (C) the regulation is required to take effect on a date other than the date determined under this paragraph pursuant to any other Act of Congress.

(2) Early compliance

Any person who is subject to a regulation described in paragraph (1) may comply with the regulation before the effective date of the regulation.

(Pub. L. 103-325, title III, §302, Sept. 23, 1994, 108 Stat. 2214.)

§ 4803. Streamlining of regulatory requirements

(a) Review of regulations; regulatory uniformity

During the 2-year period beginning on September 23, 1994, each Federal banking agency shall, consistent with the principles of safety and soundness, statutory law and policy, and the public interest—

- (1) conduct a review of the regulations and written policies of that agency to—
 - (A) streamline and modify those regulations and policies in order to improve efficiency, reduce unnecessary costs, and eliminate unwarranted constraints on credit availability;
 - (B) remove inconsistencies and outmoded and duplicative requirements; and
 - (C) with respect to regulations prescribed pursuant to section 1828(o) of this title, con-

sider the impact that such standards have on the availability of credit for small business, residential, and agricultural purposes, and on low- and moderate-income communities;

(2) review the extent to which existing regulations require insured depository institutions and insured credit unions to produce unnecessary internal written policies and eliminate such requirements, where appropriate;

(3) work jointly with the other Federal banking agencies to make uniform all regulations and guidelines implementing common statutory or supervisory policies; and

(4) submit a joint report to the Congress at the end of such 2-year period detailing the progress of the agencies in carrying out this subsection.

(b) Review of disclosures

The Board of Governors of the Federal Reserve System, in consultation with the consumer advisory council to such Board, consumers, representatives of consumers, lenders, and other interested persons, shall—

(1) review the regulations and written policies of the Board with respect to disclosures pursuant to the Truth in Lending Act [15 U.S.C. 1601 et seq.] with regard to variable-rate mortgages in order to simplify the disclosures, if necessary, and make the disclosures more meaningful and comprehensible to consumers;

(2) implement any necessary regulatory changes, consistent with applicable law; and

(3) not later than 2 years after completion of the review required by paragraph (1), submit a report to the Congress on the results of its actions taken in accordance with this subsection and any recommended legislative actions.

(Pub. L. 103-325, title III, §303, Sept. 23, 1994, 108 Stat. 2215; Pub. L. 104-208, div. A, title II, §2242, Sept. 30, 1996, 110 Stat. 3009-418.)

REFERENCES IN TEXT

The Truth in Lending Act, referred to in subsec. (b)(1), is title I of Pub. L. 90-321, May 29, 1968, 82 Stat. 146, as amended, which is classified generally to subchapter I (§1601 et seq.) of chapter 41 of Title 15, Commerce and Trade. For complete classification of this Act to the Code, see Short Title note set out under section 1601 of Title 15 and Tables.

AMENDMENTS

1996—Subsec. (a)(2) to (4). Pub. L. 104-208 added par. (2) and redesignated former pars. (2) and (3) as (3) and (4), respectively.

UPDATE ON REVIEW OF REGULATIONS AND PAPERWORK REDUCTIONS

Pub. L. 105-219, title IV, §402, Aug. 7, 1998, 112 Stat. 935, provided that: “Not later than 1 year after the date of enactment of this Act [Aug. 7, 1998], the Federal banking agencies [see 12 U.S.C. 1813(z)] shall submit a report to the Congress detailing their progress in carrying out section 303(a) of the Riegle Community Development and Regulatory Improvement Act of 1994 [12 U.S.C. 4803(a)], since their submission of the report dated September 23, 1996, as required by section 303(a)(4) of that Act.”

§ 4804. Elimination of duplicative filings

The Federal banking agencies shall work jointly—