

regulations that are inconsistent with this rule will be preempted; (2) no retroactive effect will be given to this rule; and (3) administrative proceedings will not be required before parties may file suit in court challenging this rule.

Paperwork Reduction Act

The information collection and recordkeeping requirements under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) included in this proposed rule have been approved under OMB control number 0579-0040.

List of Subjects in 9 CFR Part 94

Animal diseases, Imports, Livestock, Meat and meat products, Milk, Poultry and poultry products, Reporting and recordkeeping requirements.

Accordingly, 9 CFR part 94 would be amended as follows:

PART 94—RINDERPEST, FOOT-AND-MOUTH DISEASE, FOWL PEST (FOWL PLAGUE), VELOGENIC VISCEROTROPIC NEWCASTLE DISEASE, AFRICAN SWINE FEVER, HOG CHOLERA, AND BOVINE SPONGIFORM ENCEPHALOPATHY: PROHIBITED AND RESTRICTED IMPORTATIONS

1. The authority citation for part 94 would continue to read as follows:

Authority: 7 U.S.C. 147a, 150ee, 161, 162, and 450; 19 U.S.C. 1306; U.S.C. 111, 114a, 134a, 134b, 134c, 134f, 136, and 136a; 31 U.S.C. 9701; 42 U.S.C. 4331 and 4332; 7 CFR 2.22, 2.80, and 371.2(d).

§ 94.15 [Amended]

2. In § 94.15, paragraph (b), the introductory text and paragraph (b)(2) would be amended by adding the words "Baja California," immediately before the word "Chihuahua".

Done in Washington, DC, this 20th day of December 1996.

A. Strating,

Acting Administrator, Animal and Plant Health Inspection Service.

[FR Doc. 96-33117 Filed 12-30-96; 8:45 am]

BILLING CODE 3410-34-P

FEDERAL RESERVE SYSTEM

12 CFR Part 204

[Regulation D, Docket No. R-0956]

Reserve Requirements of Depository Institutions

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Notice of proposed rulemaking.

SUMMARY: In conjunction with a final rule printed elsewhere in today's

Federal Register, the Board of Governors of the Federal Reserve System is proposing to amend its Regulation D regarding reserve requirements of depository institutions issued pursuant to section 19 of the Federal Reserve Act, in order further to reduce regulatory burden and simplify and update requirements. This proposal would clarify the definition of "savings deposit," consistent with comments the Board received on its earlier proposal, and similarly clarify the definition of "transaction account" and conform it to the amended definition of "savings deposit." This proposal is in accordance with the Board's policy of regular review of its regulations and the Board's review of its regulations under section 303 of the Riegle Community Development and Regulatory Improvement Act of 1994.

DATES: Comments must be received by February 4, 1997.

ADDRESSES: Comments should be directed to William W. Wiles, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, NW., Washington, DC 20551, Attention: Docket No. R-0956, or delivered to Room B-2222, Eccles Building, between 8:45 a.m. and 5:15 p.m. Comments may be inspected in Room MP-500 between 9:00 a.m. and 5:00 p.m. weekdays, except as provided in § 261.8 of the Board of Governors' rules regarding availability of information, 12 CFR 261.8.

FOR FURTHER INFORMATION CONTACT: Ann Owen, Economist, Division of Monetary Affairs (202/736-5671); Sue Harris, Economist, Division of Research and Statistics (202/452-3490); Rick Heyke, Staff Attorney, Legal Division (202/452-3688). For the hearing impaired only, Telecommunications Device for the Deaf (TDD), Earnestine Hill or Dorothea Thompson (202/452-3544).

SUPPLEMENTARY INFORMATION:

Background

The Board of Governors of the Federal Reserve System (Board) published a notice of proposed rulemaking in the Federal Register on June 17, 1996 (61 FR 30545) that solicited comments on proposed amendments to its Regulation D, Reserve Requirements of Depository Institutions (12 CFR Part 204). The Board received nine comments suggesting that the Board clarify the definition of "savings deposit," and a number of them also suggested that the Board rewrite the definitions of "time deposit," "demand deposit," and/or "transaction account." One commenter suggested the use of bullet points to distinguish limitations on transfers from

exceptions to such limitations. Two commenters appended suggested language designed to clarify the definition of savings account, principally by shortening the sentences.

In response to these comments, the Board is proposing to amend the definition of "savings deposit" in an effort to clarify it. The proposal similarly would amend the definition of "transaction account" to clarify it and to conform it to the amended definition of "savings deposit." The amendments are intended to be nonsubstantive and would codify certain Board and staff interpretations. For example, the proposal makes clear that a transfer ordered by messenger does count against the limitation on transfers applicable to savings accounts if the messenger is in the employ of, or acting as agent of, the depository institution. The proposal also clarifies that transfers from savings accounts to repay overdrafts do not benefit from the exception for transfers to repay loans and associated expenses at the same depository institution. The proposal distinguishes more clearly between transfers from savings accounts subject to both the 6 per month and the 3 per month limitations and those subject only to the 6 per month limitation by specifying that the 6 per month limitation applies to preauthorized transfers, telephone and data transmission orders, checks, drafts, debit cards and similar orders to the depository institution whether given directly to the depository institution by the depositor or delivered to the depository institution through and payable to third parties. In contrast, the 3 per month limitation applies to transfers made by check, draft, debit card, or similar order to the depository institution delivered through and payable to third parties. Home banking transfers remain subject to the six per month limitation.

Initial Regulatory Flexibility Analysis

The Regulatory Flexibility Act (5 U.S.C. 601-612) requires an agency to publish an initial regulatory flexibility analysis with any notice of proposed rulemaking. Two of the requirements of an initial regulatory flexibility analysis (5 U.S.C. 603(b))—a description of the reasons why action by the agency is being considered and a statement of the objectives of, and legal basis for, the proposed rule—are contained in "Background" above. The proposed rules require no additional reporting or recordkeeping requirements and do not overlap with other federal rules.

Another requirement for the initial regulatory flexibility analysis is a

description of and, where feasible, an estimate of the number of small entities to which the proposed rule will apply. The proposal will apply to all depository institutions regardless of size.

The amendments are burden-reducing. Therefore, the Board believes that the amendments will not have a significant adverse economic impact on a substantial number of small entities.

Paperwork Reduction Act

In accordance with the Paperwork Reduction Act notice of 1995 (44 U.S.C. Ch. 3506; 5 CFR Part 1320, Appendix A.1), the Board has reviewed the rule under the authority delegated to the Board by the Office of Management and Budget. No collection of information pursuant to the Paperwork Reduction Act is contained in the rule.

List of Subjects in 12 CFR Part 204

Banks, banking, Federal Reserve System, Reporting and recordkeeping requirements.

Authority and Issuance

For the reasons set forth in the preamble, the Board proposes to amend part 204 of chapter II of title 12 as follows:

PART 204—RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS (REGULATION D)

1. The authority citation for part 204 continues to read as follows:

Authority: 12 U.S.C. 248(a), 248(c), 371a, 461, 601, 611, and 3105.

2. Section 204.2 is amended as follows:

a. Paragraphs (b)(2) and (b)(3)(ii)(A) are amended by removing "paragraph (d)(2) of this section" and adding in its place "paragraph (d) of this section".

b. Paragraph (d) is revised.
 c. In the introductory text of paragraph (e) and in paragraphs (e)(2), (e)(3), and (e)(4), all references to "paragraph (d)(2) of this section" are revised to read "paragraph (d) of this section".

d. Paragraph (e)(4) is further amended by removing "another account of the depositor at the same institution (including *transaction account*)" and adding in its place "another account of the depositor (including a *transaction account*)", and by removing the third and fourth sentences in their entirety. The revision reads as follows:

§ 204.2 Definitions.

* * * * *

(d)(1) *Savings deposit* means a deposit or account—

(i) With respect to which the depositor may be (but is not ordinarily) required by the depository institution to give written notice of an intended withdrawal not less than seven days before withdrawal is made;

(ii) That is not payable on a specified date, or after a specified period of time after the date of deposit;

(iii) From which the depositor is limited to no more than six transfers per month (or similar period of at least four weeks) to another account (including a transaction account) of the depositor or to a third party, by means of a preauthorized transfer, a telephone or data transmission order, or a check, draft, debit card, or similar order to the depository institution whether given directly to the depository institution by the depositor or delivered to the depository institution through and payable to third parties; and

(iv) From which no more than three of such six transfers may be made by check, draft, debit card, or similar order to the depository institution by the depositor delivered to the depository institution through and payable to third parties.⁴

(2) The limitations in paragraph (d)(1) of this section do not apply to:

(i) Transfers from a savings account for the purpose of repaying loans (other than overdrafts on a transaction account) and associated expenses at the same depository institution (as originator or servicer);

(ii) Transfers of funds from a savings account to another account of the same depositor at the same institution when the transfers are requested by mail, by messenger (not in the employ of or acting as agent of the depository institution), at an automated teller

⁴In order to ensure that no more than the permitted number of withdrawals or transfers are made, for an account to come within the definition in paragraph (d) of this section, a depository institution must either:

(a) Prevent withdrawals or transfers of funds from this account that are in excess of the limits established by paragraph (d) of this section, or

(b) Adopt procedures to monitor those transfers on an *ex post* basis and contact customers who exceed the established limits on more than an occasional basis.

For customers who continue to violate those limits after they have been contacted by the depository institution, the depository institution must either close the account and place the funds in another account that the depositor is eligible to maintain, or take away the transfer and draft capacities of the account.

An account that authorizes withdrawals or transfers in excess of the permitted number is a transaction account regardless of whether the authorized number of transactions are actually made. For accounts described in paragraph (d) of this section, the institution at its option may use, on a consistent basis, either the date on the check, draft, or similar item, or the date the item is paid in applying the limits imposed by that section.

machine, or in person at an office of the depository institution;

(iii) Withdrawals from a savings account when such withdrawals are requested by mail, by messenger (not in the employ of, or acting as agent of, the depository institution), or at an automated teller machine, or in person at an office of the depository institution; or

(iv) Withdrawals requested by telephone or data transmission and paid by means of a check mailed to the depositor.

(3)(i) A *preauthorized transfer* means any transfer from the account of the depositor by the depository institution to pay a third party:

(A) Upon written or oral instruction to the institution (including any order received through an automated clearing house (ACH)); or

(B) At a predetermined time or on a fixed schedule.

(ii) A *withdrawal* means any payment to the depositor.

(4) *Savings deposit* does not include funds deposited to the credit of the depository institution's own trust department where the funds involved are utilized to cover checks or drafts. Such funds are *transaction accounts*.

* * * * *

By order of the Board of Governors of the Federal Reserve System, December 24, 1996.

William W. Wiles,
Secretary of the Board.

[FR Doc. 96-33159 Filed 12-30-96; 8:45 am]

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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

12 CFR Part 226

[Regulation Z; Docket No. R-0954]

24 CFR Part 3500

[Regulation X; Docket No. FR-4184-P-01]

RIN 2502-AG86

Advance Notice of Proposed Rulemaking on Improvement of Disclosures Under the Real Estate Settlement Procedures Act and the Truth in Lending Act

AGENCIES: Office of the Assistant Secretary for Housing—Federal Housing Commissioner (HUD); Board of Governors of the Federal Reserve System (the Board) (collectively, the agencies).

ACTION: Advance notice of proposed rulemaking.