

# Proposed Rules

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This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

## NUCLEAR REGULATORY COMMISSION

10 CFR Part 51

RIN 3150-AD 94

### Environmental Review for Operating Licenses; Proposed Rule: extension of Comment Period

**AGENCY:** Nuclear Regulatory Commission.

**ACTION:** Proposed rule: Extension of comment period.

**SUMMARY:** On September 17, 1991, a proposed amendment to 10 CFR part 51 was published in the *Federal Register* (56 FR 47016) that indicated that comments must be received on or before December 16, 1991. Since several interested persons have indicated that additional time would be needed because of the length of the supporting documents, the NRC is issuing this notice extending the comment period. **DATES:** New comment period expires March 16, 1992. Comments received after this date will be considered if it is practical to do so but assurance of consideration cannot be given except as to comments received on or before this date.

**ADDRESSES:** Send written comments or suggestions to the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555. **ATTN:** Docketing and Service Branch. Hand deliver comments to Docketing and Service Branch, One White Flint North, 11555 Rockville Pike, Rockville, MD between 7:30 am and 4:15 pm. Examine comments received at: The NRC Public Document Room, 2120 L Street, NW., Washington, DC.

**FOR FURTHER INFORMATION CONTACT:** Donald Cleary, Division of Safety Issues Resolution, Office of Nuclear Regulatory Research, U.S. Nuclear Regulatory Commission, Washington, DC 20555, telephone (301) 492-3936.

Dated at Rockville, Maryland, this 20th day of November, 1991.

For the Nuclear Regulatory Commission.  
Samuel J. Chilk,  
Secretary of the Commission.  
[FR Doc. 91-28379 Filed 11-25-91; 8:45 am]  
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## FEDERAL HOUSING FINANCE BOARD

12 CFR Part 932

(No. 91-582)

### Dividends Paid on Federal Home Loan Bank Stock

**AGENCY:** Federal Housing Finance Board.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** The Federal Housing Finance Board ("Finance Board") proposes to amend part 932 of its regulations governing the payment of dividends to holders of Federal Home Loan Bank ("FHLBank") stock in order to ensure fair and equitable treatment for all Federal Home Loan Bank System ("FHLBank System") members.

In order to provide for the equitable treatment of all FHLBank members, the Finance Board proposes to amend § 932.3 compensate members that redeem stock in the FHLBank System prior to the declaration of a dividend for the FHLBanks' use of their funds prior to the redemption.

**DATES:** Comments must be in writing and received on or before December 26, 1991.

**ADDRESSES:** Send comments to: Federal Housing Finance Board, Executive Secretary, 1777 F Street, NW., Washington, DC 20006. Comments will be available for public inspection at this address.

**FOR FURTHER INFORMATION CONTACT:** Thomas D. Sheehan, (202) 408-2870, Assistant Director, District Banks Directorate, or Jon E. Boustany, (202) 408-2932, Attorney-Advisor, Office of General Counsel, Federal Housing Finance Board, 1777 F Street, NW., Washington, DC 20006.

#### SUPPLEMENTARY INFORMATION:

##### A. Statutory and Regulatory Background

In order to become a member of the FHLBank System, an institution is required to subscribe for stock in the FHLBank district in which it is located. See 12 U.S.C. 1422, 1424, and 1426. Once

a member has subscribed for stock in the FHLBank System, it is entitled to receive dividends on such stock without preference. See *id.* at 1426(g). Pursuant to 12 U.S.C. 1426(g), the Finance Board promulgated a regulation at 12 CFR 932.3 governing the issuance of dividends.

Specifically, § 932.3 of the Finance Board's regulations provides that "the board of directors of each Bank may, with the approval of the [Finance] Board, declare a dividend from net earnings, the dividend stabilization reserve, and undivided profits to stockholders of record \* \* \* on the paid-in value of capital stock outstanding on the record date." See 12 CFR 932.3. However, dividends on such stock are computed "only for the period such stock was outstanding during the interval between the record date and the immediately preceding record date." *Id.*

##### B. Analysis of Proposed Rulemaking

Historically, FHLBank System membership and the members' capital stockholdings had been relatively stable. Recently, however, changes in the membership base, particularly due to the thrift resolution process, have led to greater volatility in System capital stock outstanding. As a result, the Finance Board has determined that § 932.3 may no longer provide for equitable treatment in the distribution of dividends to all FHLBank stockholders, since an institution that for whatever reason redeems its stock in the FHLBank System prior to the record date, is denied any dividend for the FHLBank's use of its funds prior to redemption of such stock. Thus, the Finance Board proposes to amend § 932.3 in order to eliminate such inequities in the distribution of dividends to FHLBank stockholders.

Specifically, the proposed rule would eliminate the concept of a record date, and would authorize the payment of declared dividends without preference to stockholders on any stock held during the dividend period. Under the proposal, the dividend period may be quarterly, semiannually, or annually ending on March 31, June 30, September 30, or December 31. Thus, a stockholder that held stock at any time during the dividend period would receive its *pro rata* share of the distribution without preference based on the period such stock was outstanding during the dividend period. Under this approach, a

lockholder that redeems its stock at any time during the dividend period could be compensated at the end of the dividend period for the FHLBank's use of its funds prior to the stock redemption.

Section 932.3 provides for the payment of dividends from net earnings, the dividend stabilization reserve and undivided profits. The FHLBanks' retained earnings are comprised of the legal reserve, the dividend stabilization reserve and undivided profits. Since the FHLBanks are prohibited from paying dividends from the legal reserve in section 16 of the Bank Act, § 932.3 could not generally provide for the payment of dividends from retained earnings. Rather, it specifically listed the two components of retained earnings from which there could be payment of dividends, namely the dividend stabilization reserve and undivided profits.

Effective January 1, 1992, however, section 724 of the Financial Institutions Reform, Recovery and Enforcement Act ("FIRREA") amends the Bank Act by eliminating the legal reserve in section 16 of the Bank Act. Public Law No. 101-73, title VII, sec. 701(b)(1), 103 Stat. 412 (August 9, 1989). Thus, retained earnings shall only include the dividend stabilization reserve and undivided profits. The proposed rule, therefore, would amend § 932.3 by substituting in the place of the terms "dividend stabilization reserve" and "undivided profits," the term "previously retained earnings." The terminology change will have no effect on the payment of dividends, since retained earnings will be comprised exclusively of the dividend stabilization reserve and undivided profits.

### C. Solicitation of Comments

The Finance Board solicits comment on all aspects of this proposed regulation. Specifically, the Finance Board invites comments on alternative ways to ensure the equitable treatment of all members in the distribution of dividends. The Finance Board is providing for a 30-day comment period.

#### Regulatory Flexibility Act

Pursuant to section 605(b) of the Regulatory Flexibility Act (Pub. L. 96-354, 5 U.S.C. 605(b) *et seq.*), it is certified that the proposed rule would not have a significant economic impact on a substantial number of small entities.

#### Lists of Subjects in 12 CFR Part 932

Conflict of interests, Federal home loan banks.

Accordingly, the Federal Housing Finance Board hereby proposes to

amend title 12, chapter IX, subchapter B, part 932 of the Code of Federal Regulations as follows:

### SUBCHAPTER B—FEDERAL HOME LOAN BANK SYSTEM

#### PART 932—ORGANIZATION OF THE BANKS

1. The authority citation for part 932 continues to read as follows:

Authority: Secs. 2A, 2B, as added by sec. 702, 103 Stat. 413, 414 (12 U.S.C. 1422a, 1422b); secs. 6-7, 47 Stat. 727, 730, as amended (12 U.S.C. 1426-1427); sec. 5, 48 Stat. 132, as amended (12 U.S.C. 1464); sec. 207, 62 Stat. 692, as added by sec. 1a, 76 Stat. 1123, as amended (18 U.S.C. 207); sec. 602, 92 Stat. 2115, as amended (42 U.S.C. 8101, *et seq.*).

2. Section 932.3 is revised to read as follows:

#### § 932.3 Dividends.

The board of directors of each Bank may, with the approval of the Board, declare and pay a dividend from net earnings, including previously retained earnings, on the paid-in value of capital stock held during the dividend period. The dividend period may be quarterly, semiannually, or annually ending on March 31, June 30, September 30, or December 31. Dividends on such stock shall be computed without preference and only for the period such stock was outstanding during the dividend period. Dividends may be paid in cash or in the form of stock.

Dated: November 22, 1991.

By the Federal Housing Finance Board.  
Daniel F. Evans, Jr.,  
Chairman.

[FR Doc. 91-28514 Filed 11-25-91; 8:45 am]  
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### FEDERAL FINANCIAL INSTITUTIONS EXAMINATION COUNCIL

#### Appraisal Subcommittee

#### 12 CFR Part 1102

[Docket No. AS91-4]

#### Rules of Practice for Temporary Waiver Proceedings

AGENCY: Appraisal Subcommittee, Federal Financial Institutions Examination Council.

ACTION: Proposed rulemaking.

SUMMARY: The Appraisal Subcommittee ("ASC") of the Federal Financial Institutions Examination Council ("FFIEC") is publishing for comment proposed part 1102, which would set out the ASC's procedures relating to proceedings granting and terminating

temporary waivers under section 1119(b) <sup>1</sup> of title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("FIRREA").<sup>2</sup> Congress intended title XI of FIRREA and the ASC, the FFIRAs and the Resolution Trust Corporation to protect federal financial and public policy interests in real estate-related financial transactions requiring the services of an appraiser.

DATES: Comments must be received on or before December 26, 1991.

ADDRESSES: Persons wishing to submit written comments should file them with Edwin W. Baker, Executive Director, Appraisal Subcommittee, 1776 G Street, NW., suite 850B, Washington, DC 20006. All comment letters should refer to Docket No. AS91-4. All comments received will be available for public inspection and copying at the above location.

#### FOR FURTHER INFORMATION CONTACT:

Edwin W. Baker, Executive Director, or Marc L. Weinberg, General Counsel, at (202) 357-0133, Appraisal Subcommittee, 1776 G Street, NW., Suite 850B, Washington, DC 20006.

#### SUPPLEMENTAL INFORMATION:

##### I. Introduction

On August 9, 1989, Congress adopted FIRREA, including sections 1102 <sup>3</sup> of title XI, which established the ASC and placed it within the FFIEC. The ASC consists of representatives appointed by the heads of the Federal Financial Institutions Regulatory Agencies ("FFIRA") <sup>4</sup> and the Department of Housing and Urban Development. Congress intended title XI of FIRREA and the ASC, the FFIRAs and the Resolution Trust Corporation ("RTC") to protect federal financial and public policy interests <sup>5</sup> in real estate-related

<sup>1</sup> 12 U.S.C. 3346(b) (1990).

<sup>2</sup> Public Law 101-73, 103 Stat. 183 (1989).

<sup>3</sup> 12 U.S.C. 3310 (1990).

<sup>4</sup> The FFIRAs are "the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the Office of Thrift Supervision, and the National Credit Union Administration." section 1122(6) of title XI, 12 U.S.C. 3350(6) (1990).

<sup>5</sup> Title XI's general purpose is "to provide that Federal financial and public policy interests . . . will be protected by requiring that [certain] real estate appraisals are performed in writing, in accordance with uniform standards, by individuals whose competency has been demonstrated and whose professional conduct will be subject to effective supervision." section 1101 of title XI, 12 U.S.C. 3331 (1990).