

103^D CONGRESS
1ST SESSION

S. 1273

AN ACT

To enhance the availability of credit in disaster areas by reducing the regulatory burden imposed upon insured depository institutions to the extent such action is consistent with the safety and soundness of the institutions.

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To enhance the availability of credit in disaster areas by reducing the regulatory burden imposed upon insured depository institutions to the extent such action is consistent with the safety and soundness of the institutions.

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 “Disaster Credit Relief
5 Act of 1993”.

1 **SEC. 2. DISASTER CREDIT RELIEF.**

2 (a) REGULATORY EXCEPTION AUTHORITY.—

3 (1) EXCEPTION AUTHORITY.—In any area in
4 which the President has determined, on or after
5 April 1, 1993, that a major disaster exists pursuant
6 to section 401 of the Robert T. Stafford Disaster
7 Relief and Emergency Assistance Act or within an
8 area determined to be eligible for disaster relief
9 under other Federal law by reason of damage relat-
10 ed to the 1993 flooding of the Mississippi River and
11 its tributaries, the Board of Governors of the Fed-
12 eral Reserve System may make exceptions to—

13 (A) the requirements of the Truth in
14 Lending Act, for credit transactions made with-
15 in such area; or

16 (B) the requirements of the Expedited
17 Funds Availability Act for offices of depository
18 institutions (as defined in section 602 of that
19 Act) located within such area;

20 if the Board determines that the exception can rea-
21 sonably be expected to produce benefits to the public
22 that outweigh possible adverse effects of the excep-
23 tion.

24 (2) EXPIRATION.—Any exception granted under
25 paragraph (1) shall expire not later than October 1,
26 1994.

1 (3) PUBLICATION REQUIRED.—The Board of
2 Governors of the Federal Reserve System shall pub-
3 lish in the Federal Register a statement that—

4 (A) describes any exception made under
5 this subsection; and

6 (B) explains how the exception can reason-
7 ably be expected to produce benefits to the pub-
8 lic that outweigh possible adverse effects.

9 (b) LEVERAGE LIMIT COMPLIANCE.—

10 (1) EXCEPTION AUTHORITY.—The appropriate
11 Federal banking agency may, by order, permit an in-
12 sured depository institution located in any area in
13 which the President has determined, on or after
14 April 1, 1993, that a major disaster exists pursuant
15 to section 401 of the Robert T. Stafford Disaster
16 Relief and Emergency Assistance Act or within an
17 area determined to be eligible for disaster relief
18 under other Federal law by reason of damage relat-
19 ed to the 1993 flooding of the Mississippi River and
20 its tributaries, to subtract from the institution's
21 total assets, in calculating compliance with the lever-
22 age limit prescribed under section 38 of the Federal
23 Deposit Insurance Act, an amount not to exceed the
24 qualifying amount attributable to insurance pro-
25 ceeds, if the agency determines that—

1 (A) the institution—

2 (i) had its principal place of business
3 within the major disaster area on the day
4 before the date of the President's deter-
5 mination;

6 (ii) derives more than 60 percent of
7 its total deposits from persons who nor-
8 mally reside within, or whose principal
9 place of business is normally within, areas
10 of intense devastation caused by the major
11 disaster (such as the flooded areas of the
12 Mississippi, Missouri, Kansas, Illinois, and
13 Des Moines rivers, and the tributaries of
14 such rivers);

15 (iii) was adequately capitalized (as de-
16 fined in section 38 of the Federal Deposit
17 Insurance Act) before the President's de-
18 termination; and

19 (iv) has an acceptable plan for manag-
20 ing the increase in its total assets and total
21 deposits; and

22 (B) the subtraction is consistent with the
23 purpose of section 38 of the Federal Deposit
24 Insurance Act.

1 (2) DEFINITIONS.—For purposes of this sub-
2 section—

3 (A) the term “appropriate Federal banking
4 agency” has the same meaning as in section 3
5 of the Federal Deposit Insurance Act;

6 (B) the term “insured depository institu-
7 tion” has the same meaning as in section 3 of
8 the Federal Deposit Insurance Act;

9 (C) the term “leverage limit” has the same
10 meaning as in section 38 of the Federal Deposit
11 Insurance Act; and

12 (D) the term “qualifying amount attrib-
13 utable to insurance proceeds” means the
14 amount by which the insured depository institu-
15 tion’s total assets exceed the institution’s aver-
16 age total assets during the calendar quarter
17 ending before the date of the Presidential deter-
18 mination referred to in paragraph (1), because
19 of the deposit of insurance payments or govern-
20 mental assistance made with respect to damage
21 caused by, or other costs resulting from, the
22 major disaster.

23 (3) EXPIRATION.—Any exception granted under
24 this subsection shall expire not later than April 1,
25 1995.

1 (c) BANKING AGENCY PUBLICATION REQUIRE-
2 MENTS.—

3 (1) IN GENERAL.—A qualifying regulatory
4 agency may take any of the following actions with
5 respect to depository institutions or other regulated
6 entities whose principal place of business is within,
7 or with respect to transactions or activities within,
8 any area in which the President has determined, on
9 or after April 1, 1993, that a major disaster exists
10 pursuant to section 401 of the Robert T. Stafford
11 Disaster Relief and Emergency Assistance Act or
12 any area determined to be eligible for disaster relief
13 under other Federal law by reason of damage relat-
14 ed to the 1993 flooding of the Mississippi River and
15 its tributaries, if the agency determines that the ac-
16 tion would facilitate recovery from the major disas-
17 ter:

18 (A) PROCEDURE.—The agency may exer-
19 cise its authority under provisions of law other
20 than this subsection without regard to—

21 (i) any requirement of section 553 of
22 title 5, United States Code; or

23 (ii) any provision of law that requires
24 notice or opportunity for hearing or sets

1 maximum or minimum time limits with re-
2 spect to agency action.

3 (B) PUBLICATION REQUIREMENTS.—The
4 agency may make exceptions, with respect to in-
5 stitutions or other entities for which the agency
6 is the primary Federal regulator, to—

7 (i) any publication requirement with
8 respect to establishing branches or other
9 deposit-taking facilities; or

10 (ii) any other similar publication re-
11 quirement.

12 (2) PUBLICATION REQUIRED.—A qualifying
13 regulatory agency shall publish in the Federal Reg-
14 ister a statement that—

15 (A) describes any action taken under this
16 subsection; and

17 (B) explains the need for the action.

18 (3) QUALIFYING REGULATORY AGENCY DE-
19 FINED.—For purposes of this subsection, the term
20 “qualifying regulatory agency” means—

21 (A) the Board of Governors of the Federal
22 Reserve System;

23 (B) the Comptroller of the Currency;

24 (C) the Director of the Office of Thrift Su-
25 pervision;

1 (D) the Federal Deposit Insurance Cor-
2 poration;

3 (E) the Federal Financial Institutions Ex-
4 amination Council;

5 (F) the National Credit Union Administra-
6 tion; and

7 (G) with respect to chapter 53 of title 31,
8 United States Code, the Secretary of the Treas-
9 ury.

10 (4) EXPIRATION.—The authority of a qualifying
11 regulatory agency to take any action in accordance
12 with this subsection shall expire not later than April
13 1, 1994.

14 **SEC. 3. STUDY AND REPORT REQUIRED.**

15 (a) STUDY.—The Secretary of the Treasury, after
16 consultation with the appropriate Federal banking agen-
17 cies (as defined in section 3 of the Federal Deposit Insur-
18 ance Act), shall conduct a study to assess the impact of
19 Federal banking laws and regulations on the provision of
20 credit and banking services in major disaster areas, as de-
21 clared by the President. The study shall—

22 (1) examine how the agencies and entities
23 granted authority by the Depository Institutions
24 Disaster Relief Act of 1992 and by this Act have ex-
25 exercised such authority;

1 of such rivers, to meet the financial services needs of their
2 communities.

Passed the Senate July 30 (legislative day, June
30), 1993.

Attest:

Secretary.