

103^D CONGRESS
2^D SESSION

S. 2430

To facilitate recovery from the recent flooding in Georgia, Alabama, and Florida resulting from Tropical Storm Alberto by providing greater flexibility for depository institutions and their regulators, and for other purposes.

IN THE SENATE OF THE UNITED STATES

AUGUST 25 (legislative day, AUGUST 18), 1994

Mr. NUNN (for himself and Mr. COVERDELL) introduced the following bill;
which was read twice, considered, read the third time, and passed

A BILL

To facilitate recovery from the recent flooding in Georgia, Alabama, and Florida resulting from Tropical Storm Alberto by providing greater flexibility for depository institutions and their regulators, and for other purposes.

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. DEPOSITORY INSTITUTIONS DISASTER RELIEF.**

4 (a) TRUTH IN LENDING ACT; EXPEDITED FUNDS
5 AVAILABILITY ACT.—

6 (1) TRUTH IN LENDING ACT.—During the 240-
7 day period beginning on the date of enactment of
8 this Act, the Board of Governors of the Federal Re-

1 serve System may make exceptions to the Truth in
2 Lending Act for transactions within an area in
3 which the President, pursuant to section 401 of the
4 Robert T. Stafford Disaster Relief and Emergency
5 Assistance Act, has determined, on or after July 1,
6 1994, that a major disaster exists, or within an area
7 determined to be eligible for disaster relief under
8 other Federal law by reason of damage related to
9 the 1994 flooding in Georgia, Alabama, and Florida
10 resulting from Tropical Storm Alberto, if the Board
11 determines that the exception can reasonably be ex-
12 pected to alleviate hardships to the public resulting
13 from such disaster that outweigh possible adverse
14 effects.

15 (2) EXPEDITED FUNDS AVAILABILITY ACT.—
16 During the 240-day period beginning on the date of
17 enactment of this Act, the Board of Governors of
18 the Federal Reserve System may make exceptions to
19 the Expedited Funds Availability Act for depository
20 institution offices located within any area referred to
21 in paragraph (1) of this section if the Board deter-
22 mines that the exception can reasonably be expected
23 to alleviate hardships to the public resulting from
24 such disaster that outweigh possible adverse effects.

1 (3) TIME LIMIT ON EXCEPTIONS.—Any excep-
2 tion made under this subsection shall expire not
3 later than January 1, 1996.

4 (4) PUBLICATION REQUIRED.—The Board of
5 Governors of the Federal Reserve System shall pub-
6 lish in the Federal Register a statement that—

7 (A) describes any exception made under
8 this subsection; and

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

12 (b) DEPOSIT OF INSURANCE PROCEEDS.—

13 (1) IN GENERAL.—The appropriate Federal
14 banking agency may, by order, permit an insured de-
15 pository institution to subtract from the institution's
16 total assets, in calculating compliance with the lever-
17 age limit prescribed under section 38 of the Federal
18 Deposit Insurance Act, an amount not exceeding the
19 qualifying amount attributable to insurance pro-
20 ceeds, if the agency determines that—

21 (A) the institution—

22 (i) had its principal place of business
23 within an area in which the President, pur-
24 suant to section 401 of the Robert T. Staf-
25 ford Disaster Relief and Emergency Assist-

1 ance Act, has determined, on or after July
2 1, 1994, that a major disaster exists, or
3 within an area determined to be eligible for
4 disaster relief under other Federal law by
5 reason of damage related to the 1994
6 flooding in Georgia, Alabama, and Florida
7 resulting from Tropical Storm Alberto, on
8 the day before the date of any such deter-
9 mination;

10 (ii) derives more than 60 percent of
11 its total deposits from persons who nor-
12 mally reside within, or whose principal
13 place of business is normally within, areas
14 of intense devastation caused by the major
15 disaster;

16 (iii) was adequately capitalized (as de-
17 fined in section 38 of the Federal Deposit
18 Insurance Act) before the major disaster;
19 and

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

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

1 (2) TIME LIMIT ON EXCEPTIONS.—Any excep-
2 tion made under this subsection shall expire not
3 later than January 1, 1996.

4 (3) DEFINITIONS.—For purposes of this sub-
5 section, the following definitions shall apply:

6 (A) APPROPRIATE FEDERAL BANKING
7 AGENCY.—The term “appropriate Federal
8 banking agency” has the same meaning as in
9 section 3 of the Federal Deposit Insurance Act.

10 (B) INSURED DEPOSITORY INSTITUTION.—
11 The term “insured depository institution” has
12 the same meaning as in section 3 of the Federal
13 Deposit Insurance Act.

14 (C) LEVERAGE LIMIT.—The term “lever-
15 age limit” has the same meaning as in section
16 38 of the Federal Deposit Insurance Act.

17 (D) QUALIFYING AMOUNT ATTRIBUTABLE
18 TO INSURANCE PROCEEDS.—The term “qualify-
19 ing amount attributable to insurance proceeds”
20 means the amount (if any) by which the institu-
21 tion’s total assets exceed the institution’s aver-
22 age total assets during the calendar quarter
23 ending before the date of any determination re-
24 ferred to in paragraph (1)(A)(i), because of the
25 deposit of insurance payments or governmental

1 assistance made with respect to damage caused
2 by, or other costs resulting from, the major dis-
3 aster.

4 (c) BANKING AGENCY PUBLICATION REQUIRE-
5 MENTS.—

6 (1) IN GENERAL.—A qualifying regulatory
7 agency may take any of the following actions with
8 respect to depository institutions or other regulated
9 entities whose principal place of business is within,
10 or with respect to transactions or activities within,
11 an area in which the President, pursuant to section
12 401 of the Robert T. Stafford Disaster Relief and
13 Emergency Assistance Act, has determined, on or
14 after July 1, 1994, that a major disaster exists, or
15 within an area determined to be eligible for disaster
16 relief under other Federal law by reason of damage
17 related to the 1994 flooding in Georgia, Alabama,
18 and Florida resulting from Tropical Storm Alberto,
19 if the agency determines that the action would facili-
20 tate recovery from the major disaster:

21 (A) PROCEDURE.—Exercising the agency's
22 authority under provisions of law other than
23 this subsection without complying with—

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

1 (ii) any provision of law that requires
2 notice or opportunity for hearing or sets
3 maximum or minimum time limits with re-
4 spect to agency action.

5 (B) PUBLICATION REQUIREMENTS.—Mak-
6 ing exceptions, with respect to institutions or
7 other entities for which the agency is the pri-
8 mary Federal regulator, to—

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

12 (ii) any similar publication require-
13 ment.

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

17 (A) describes any action taken under this
18 subsection; and

19 (B) explains the need for the action.

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

23 (A) the Board of Governors of the Federal
24 Reserve System;

25 (B) the Comptroller of the Currency;

1 (C) the Director of the Office of Thrift Su-
2 pervision;

3 (D) the Federal Deposit Insurance Cor-
4 poration;

5 (E) the Financial Institutions Examination
6 Council;

7 (F) the National Credit Union Administra-
8 tion; and

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

12 (4) EXPIRATION.—Any exception made under
13 this subsection shall expire not later than January
14 1, 1996.

15 (d) SENSE OF THE CONGRESS.—It is the sense of
16 the Congress that the Board of Governors of the Federal
17 Reserve System, the Comptroller of the Currency, the Di-
18 rector of the Office of Thrift Supervision, the Federal De-
19 posit Insurance Corporation, and the National Credit
20 Union Administration should encourage depository insti-
21 tutions to meet the financial services needs of their com-
22 munities and customers located in areas affected by the
23 1994 flooding in Georgia, Alabama, and Florida resulting
24 from Tropical Storm Alberto.

1 (e) OTHER AUTHORITY NOT AFFECTED.—Nothing
2 in this section limits the authority of any department or
3 agency under any other provision of law.

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