Division, FDIC, 550 17th Street, N.W., Washington, DC 20429.

SUPPLEMENTARY INFORMATION: The FDIC is conducting a systematic review of its regulations and written policies. Section 303(a) of the CDRI (12 U.S.C. 4803(a)) requires the FDIC, the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Office of Thrift Supervision (Federal banking agencies) to each streamline and modify its regulations and written policies in order to improve efficiency, reduce unnecessary costs, and eliminate unwarranted constraints on credit availability. Section 303(a) also requires each of the Federal banking agencies to remove inconsistencies and outmoded and duplicative requirements from its regulations and written policies.

As a part of this review, the FDIC has determined that the Statement of Policy contains a substantial amount of information that is outmoded, and duplicated or cross-referenced elsewhere. The FDIC's written policies can be streamlined by eliminating the Statement of Policy. The relevant information contained in the Policy Statement will be condensed and placed into Statements of Policy regarding Applications for Deposit Insurance, and Bank Merger Transactions.

On September 8, 1980, the Statement of Policy was adopted by the Board of the FDIC and was published on September 15, 1980 (45 FR 61025). The Statement of Policy addresses unreasonable or excessive fees, insider fees, and contingency fee arrangements incidental to applications filed with the FDIC. Some of the information contained in the Statement of Policy is now also in other Statements of Policy addressing specific applications and, as a result, it is no longer necessary to have a Statement of Policy dealing specifically with legal fees and other expenses.

Issues formerly dealt with in the Statement of Policy have now been condensed and placed into other application specific ''Statements of Policy''. The following specific statements are now included in relevant ''Statements of Policy'' published concurrently herein.

''The commitment to or payment of unreasonable or excessive fees and other expenses incident to an application reflects adversely upon the management of the applicant institution. Fees and other organizational expenses incurred or committed to should be fully supported.

Expenses for professional or other services rendered by organizers, present or prospective board members, major shareholders or executive officers will receive special review for any indication of self-dealing to the detriment of the bank and its other shareholders. As a matter of practice, the FDIC expects full disclosure to all directors and shareholders of any material arrangement with an insider.

In no case will an FDIC application be approved where the payment of a fee, in whole or in part, is contingent upon any act or forbearance by the FDIC or by any other federal or state agency or official.''

The rescission does not reflect any substantive change in the FDIC's supervisory attitude toward excessive, unwarranted, or otherwise inappropriate fees incident to an application, and the relevant issues will continue to be addressed.

For the above reasons, the Statement of Policy is hereby rescinded.

By order of the Board of Directors.

Dated at Washington, DC, this 25th day of March, 1997.

Federal Deposit Insurance Corporation

Robert E. Feldman,

Deputy Executive Secretary.

[FR Doc. 97–8171 Filed 3–31–97; 8:45 am]

BILLING CODE 6714–01–P

Statement of Policy Regarding Liability of Commonly Controlled Depository Institutions

AGENCY: Federal Deposit Insurance Corporation (FDIC).

ACTION: Policy statement.

SUMMARY: The FDIC is revising the statement of policy which sets forth the procedures and guidelines the FDIC uses in assessing liability against commonly controlled depository institutions under section 5(e) of the Federal Deposit Insurance Act. The revised policy statement provides guidance based on the FDIC's experience in administering the provisions of section 5(e) of the Act and clarifies the authority granted to the FDIC to issue assessments of liability or grant conditional waivers of liability, the manner in which the FDIC will assess the amount of loss incurred by the FDIC, and the manner in which each liable institution's share of that loss will be determined. The revised policy statement also addresses the potential liability of depository institutions acquired by unaffiliated parties prior to any occurrence establishing liability under section 5(e) of the Act.

EFFECTIVE DATE: April 1, 1997.

FOR FURTHER INFORMATION CONTACT: Cheryl Steffen, Special Situations and Application Section, Division of Supervision, (202) 898–8768; Michael J. Fanaroff, Division of Resolution and Receiverships, (202) 898–7122; or Grovetta N. Gardineer, Counsel, Legal Division, (202) 736–0665, Federal Deposit Insurance Corporation, 550 17th Street, NW., Washington, DC 20429.

SUPPLEMENTARY INFORMATION: On May 22, 1990, the Board of Directors of the FDIC adopted a Statement of Policy Regarding Liability of Commonly Controlled Depository Institutions. Such liability is a consequence of section 5(e) of the Federal Deposit Insurance Act (Act), 12 U.S.C. 1815(e), which was added by the passage of section 206(a)(7) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989. Section 5(e) created liability for commonly controlled insured depository institutions for losses incurred or anticipated by the FDIC in connection with (i) the default of a commonly controlled insured depository institution; or (ii) any assistance provided by the FDIC to any commonly controlled insured depository institution in danger of default. The purpose of section 5(e) is to ensure that the assets of healthy depository institution subsidiaries within the same holding company structure, or of a healthy institution which controls a failing institution, will be available to the FDIC to help offset the cost of resolving the failed subsidiary. While the FDIC seeks to recover its losses associated with failing institutions, it also seeks to encourage the acquisition of troubled institutions by those capable of rehabilitating them and to avoid instances in which the assessment of liability against an otherwise healthy institution will cause its failure, thus exposing the FDIC and the insurance funds to greater loss.

The FDIC has brought a number of actions since the enactment of section 5(e). While the original statement of policy provided guidance to the industry regarding the application of the statute at the time it was published, the FDIC had not initiated any actions under the statute. The revised policy statement attempts to provide guidance to the industry based on actual practice with administering the statute. The proposed policy statement contains information regarding the content of requests for conditional waiver. Depending on decisions affecting part 303 of the FDIC Rules and Regulations (Rules), this information may also be addressed in the revised part 303 of the FDIC's Rules regarding applications. Any changes in part 303 of the FDIC's Rules may also necessitate further revisions to the policy statement.

The policy statement provides for the issuance of a Notice of Assessment of

Liability, Findings of Fact and Conclusions of Law, an Order to Pay and a Notice of Hearing, a good faith estimate of the FDIC's loss, and the determination of the method and schedule of repayment. The liability under the statute attaches at the time of default of a commonly controlled depository institution. The FDIC, in its discretion, may assess liability for the losses incurred by the default or for any assistance provided by the FDIC to a commonly controlled institution in danger of default. Generally, liability will be assessed against an institution except in instances of the acquisition of a distressed institution by an unaffiliated entity prior to the default of a commonly controlled institution. A conditional waiver of the liability will be considered when, as determined within the sole discretion of the Board of Directors of the FDIC, the exemption is in the best interests of either of the insurance funds administered by the FDIC or where a waiver facilitates an alternative that is in the best interests of the FDIC. Institutions that believe that an assessment of liability would be inappropriate are required to submit supporting documentation.

The text of the revised policy statement follows:

Federal Deposit Insurance Corporation Statement of Policy Regarding Liability of Commonly Controlled Depository Institutions

Introduction

Section 5(e) of the Federal Deposit Insurance Act, as added by section 206(a)(7) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, creates liability for commonly controlled insured depository institutions for losses incurred or anticipated by the Federal Deposit Insurance Corporation (FDIC) in connection with (i) the default of a commonly controlled insured depository institution; or (ii) any assistance provided by the FDIC to any commonly controlled insured depository institution in danger of default. In addition to certain statutory exceptions and exclusions contained in sections 5(e)(6), (7) and (8), the Act also permits the FDIC, in its discretion, to exempt any insured depository institution from this liability if it determines that such exemption is in the ''best interests of the Bank Insurance Fund or the Savings Association Insurance Fund''.

The liability of an insured depository institution attaches at the time of default of a commonly controlled institution. It is completely within the discretion of the FDIC whether or not to issue a notice of assessment to the liable institution for the estimated amount of the loss incurred by the FDIC.

Guidelines for Conditional Waiver of Liability

The FDIC may, in its discretion, choose not to assess liability based upon analysis of a particular situation, and it may entertain requests for waivers from affiliated or unaffiliated parties of an institution in default or in danger of default. The determination of whether an exemption is in the best interests of either insurance fund rests solely with the Board of Directors of the FDIC (Board). Should the Board make such a determination, a waiver will be issued setting forth terms and conditions that must be met in order to receive an exemption from liability (conditional waiver of liability). The following guidelines apply to conditional waivers of liability under the provisions of this section:

(1) A conditional waiver of liability will be considered in those cases where the waiver facilitates an alternative that would be in the best interests of the FDIC; for example, the conditional waiver may be granted when requisite additional capital and managerial resources are being provided which substantially lessen exposure to the affected insurance fund. When conditional waivers are granted to an otherwise unaffiliated acquirer of a failing or failed institution they will be granted for a fixed period, generally not to exceed a period of time reasonably required for existing problems to be identified and resolved.

(2) If one or more institutions in a commonly controlled relationship is otherwise solvent, well-managed and viable, it may be in the best interest of the FDIC to waive or reduce claims against such entities. In determining whether a conditional waiver is appropriate, consideration will be given to actions of a holding company which contribute to or diminish the FDIC's losses, as well as proposals to strengthen other weakened institutions, if any.

(3) Requests for waivers should be filed with the appropriate Regional Director (Supervision).

(4) In the event an application for a conditional waiver of liability is made, the applicant should provide the FDIC information indicating the basis for requesting a waiver; the existence of any significant events (e.g., change of control, capital injection, etc.) that may have an impact upon the applicant or a potentially liable institution(s); current and, if applicable, pro forma financial information regarding the applicant and potentially liable institution(s); and the benefits resulting from the waiver and any related events. Additional information may be requested.

(5) In the event a conditional waiver of liability is issued, failure to comply with the terms specified therein may result in the termination of the conditional waiver of liability. The FDIC reserves the right to revoke the conditional waiver of liability after giving the applicant written notice of said revocation and a reasonable opportunity to be heard on the matter.

(6) In cases where an insured depository institution is sold to an acquirer with no financial interest, directly or indirectly, in the institution prior to the acquisition, it is the general policy of the FDIC to forego the issuance of a notice of assessment to the acquirer and its affiliated institutions in the event of a default of an insured depository institution formerly affiliated with the acquired institution. The FDIC will review all such transactions prior to making a final determination to forego the issuance of the notice of assessment.

Guidelines for Assessment of Liability

Whenever the FDIC determines that assessment of liability in connection with a commonly controlled insured depository institution(s) is appropriate, a Notice of Assessment of Liability, Findings of Fact and Conclusions of Law, Order to Pay, and Notice of Hearing (Notice of Assessment) will be served upon the liable institution. In assessing the amount of the FDIC's loss and the liable institution(s) method of payment, the following guidelines shall apply:

(1) A good faith estimate of the amount of loss the FDIC will incur shall be based upon (a) the actual sale or calculation of loss from a review by the FDIC of the assets and liabilities of the institution prior to default or the granting of assistance; or (b) any other cost estimate bases as explained in the Notice of Assessment.

(2) If there is more than one commonly controlled depository institution to be assessed, each such institution is jointly and severally liable for all losses; however, the FDIC shall make a good faith estimate of the liability of each institution as determined by (a) first assessing an initial amount on a pro rata capital basis that brings about parity in the capital ratios of the liable institutions and (b) then apportioning any residual assessment on a pro-rata size basis utilizing the most recent Report of Condition. Any final assessment can be based on the estimated liability of each

institution by the FDIC and/or negotiations with the liable institutions.

(3) In the event that any liable institution is closed prior to paying an assessment, the amount assessed or to have been assessed against that institution may be assessed against the remaining liable institution(s).

(4) The FDIC, after consulting with the appropriate federal and state financial institutions regulatory agencies, shall establish in each case a schedule for payment which may include a lump sum reimbursement, as well as procedures for receipt of such payment.

(5) Once liability has attached, the FDIC will consider information similar to that provided with a request for a conditional waiver of liability in determining the amount of the estimated loss to be assessed. Such information may also include suggested payment plans.

By order of the Board of Directors.

Dated at Washington, DC., this 25th day of March, 1997.

Federal Deposit Insurance Corporation

Robert E. Feldman,

Deputy Executive Secretary.

[FR Doc. 97–8254 Filed 3–31–97; 8:45 am]

BILLING CODE 6714–01–P

FEDERAL ELECTION COMMISSION

[Notice 1997–5]

Filing Dates for the Texas Special Election

AGENCY: Federal Election Commission.

ACTION: Notice of Filing Dates for Special Elections.

SUMMARY: Texas has scheduled a Special Runoff Election on April 12, 1997, to fill the U.S. House seat in the Twenty-Eighth Congressional District held by the late Congressman Frank Tejeda. On March 15, 1997, a Special General Election was held, with no candidate achieving a majority vote. Under Texas law, a runoff election will now be held between the top two vote-getters.

Committees required to file reports in connection with the Special Runoff Election on April 12 should file a 12-day Pre-Runoff Election Report on March 31, 1997; a 30-day Post-Runoff Report on May 12, 1997; and a Mid-Year Report on July 31, 1997.

FOR FURTHER INFORMATION CONTACT: Ms. Bobby Werfel, Information Division, 999 E Street, N.W., Washington, DC 20463, Telephone: (202) 219–3420; Toll Free (800) 424–9530.

SUPPLEMENTARY INFORMATION: All principal campaign committees of candidates who participate in the Texas Special Runoff Election and all other political committees not filing monthly which support candidates in the Special Election shall file a 12-day Pre-Runoff Report on March 31, 1997, with coverage dates from the close of the last report filed, or the day of the committee's first activity, whichever is later, through March 23, 1997; a Post-Runoff Report on May 12, 1997, with coverage dates from March 24 through May 2, 1997; and a Mid-Year Report on July 31, 1997, with coverage dates from May 3 through June 30, 1997.

CALENDAR OF REPORTING DATES FOR TEXAS SPECIAL ELECTION FOR COMMITTEES INVOLVED IN THE SPECIAL RUNOFF

Report	Close of books [1]	Reg./cert. mailing date [2]	Filing date
Pre-Runoff	03/23/97	02/28/97	03/31/97
Post-Runoff	05/02/97	05/12/97	05/12/97
Mid-Year	06/30/97	07/31/97	07/31/97

[1] The period begins with the close of books of the last report filed by the committee. If the committee has filed no previous reports, the period begins with the date of the committee's first activity.

[2] Reports sent by registered or certified mail must be postmarked by the mailing date; otherwise, they must be received by the filing date.

Dated: March 27, 1997.

John Warren McGarry,

Chairman, Federal Election Commission.

[FR Doc. 97–8208 Filed 3–31–97; 8:45 am]

BILLING CODE 6715–01–M

FEDERAL EMERGENCY MANAGEMENT AGENCY

The National Board Fiscal Year 1997 Plan for Carrying Out the Emergency Food and Shelter Program (EFSP)

AGENCY: Federal Emergency Management Agency (FEMA).

ACTION: Notice.

SUMMARY: This notice sets out the plan by which the Emergency Food and Shelter Program National Board (National Board) is conducting a program during FY 1997 to distribute $100,000,000 to private voluntary organizations and local governments for delivering emergency food and shelter to needy individuals. The distribution formula for selecting organizations and localities, and the award amount for each, follow the Plan text.

DATES: The award to the National Board was made October 3, 1996.

FOR FURTHER INFORMATION CONTACT: Carol Coleman, Preparedness, Training and Exercise Directorate, Federal Emergency Management Agency, (202) 646–3107, or Kay C. Goss, Chair, EFSP National Board, (202) 646–3487.

SUPPLEMENTARY INFORMATION: Title III of the Stewart B. McKinney Homeless Assistance Act, 42 U.S.C. 11301 *et seq.*, authorizes use of funds appropriated by the Congress to supplement and expand ongoing efforts to provide shelter, food, and supportive services to homeless, needy individuals.

As in past phases, grant awards from this program are provided to address emergency needs. This program is not intended to address or correct structural poverty or long-standing problems. Rather, this appropriation is intended for the purchase of food and shelter to supplement and expand current available resources and not to substitute or reimburse ongoing programs and services.

This funding should be used to target special emergency needs. And when we discuss emergency needs we are referring to economic, not disaster-related, emergencies. The funding should supplement feeding and sheltering efforts in ways that make a difference. What that means is: EFSP is not intended to make up for budget shortfalls or to be considered just a line in an annual budget; it is not intended that the funds must go to the same agencies for the exact same purposes every year; and, the funding is open to all organizations helping hungry and homeless people and it is not intended that the funds should go only to Local Board member agencies or local government agencies.