

the bid side of the market using a generally recognized source for securities prices. Repurchase agreements normally provide for additional securities or cash to be placed with the depository institution or its custodian bank to maintain the margin within the predetermined level.

Margin calculations should also consider accrued interest on underlying securities and the anticipated amount of accrued interest over the term of the repurchase agreement, the date of interest payment, and which party is entitled to receive the payment. In the case of pass-through securities, anticipated principal reductions should also be considered when determining margin adequacy.

E. Maturity and Renewal Procedures

Depository institutions should follow prudent management procedures when administering any repurchase agreement. For longer term repurchase agreements, management should monitor daily the effects of securities substitutions, margin maintenance requirements (including consideration of any coupon interest or principal payments) and possible changes in the financial condition of the counterparty. Engaging in open repurchase agreement transactions without maturity dates may be regarded as an unsafe and unsound practice unless the depository institution has, in its written agreement, retained rights to terminate the transaction quickly to protect itself against changed circumstances. Similarly, automatic renewal of short-term repurchase agreement transactions without reviewing collateral values, adjusting collateral margin, and receiving written confirmation of the new contract terms, may be regarded as an unsafe and unsound practice. If additional margin is not deposited when required, the depository institution's rights to sell securities or otherwise liquidate the repurchase agreement should be exercised without hesitation.

IV. Guidelines for Controlling Collateral for Securities Sold Under Agreement to Repurchase

Depository institutions normally use current market values (bid side), including the amount of any accrued interest, to determine the price of securities that are sold under repurchase agreements. Counterparties should not be provided with excessive margin. Thus, the written repurchase agreement contract normally provides that the counterparty must make additional payment or return securities if the margin exceeds agreed upon levels. When acquiring funds under repurchase

agreements it is prudent business practice to keep at a reasonable margin the difference between the market value of the securities delivered to the counterparty and the amount borrowed. The excess market value of securities sold by a depository institution may be viewed as an unsecured loan to the counterparty subject to the unsecured prudential limitations for the depository institution and should be treated accordingly for credit policy and control purposes.

Dated: February 5, 1998.

Joe M. Cleaver,

Executive Secretary, Federal Financial Institutions Examination Council.

[FR Doc. 98-3373 Filed 2-10-98; 8:45 am]

BILLING CODES 6210-01-P; 6720-01-P; 6714-01-P; 4810-01-P

FEDERAL RESERVE SYSTEM

Change in Bank Control Notices; Acquisitions of Shares of Banks or Bank Holding Companies

The notificants listed below have applied under the Change in Bank Control Act (12 U.S.C. 1817(j)) and § 225.41 of the Board's Regulation Y (12 CFR 225.41) to acquire a bank or bank holding company. The factors that are considered in acting on the notices are set forth in paragraph 7 of the Act (12 U.S.C. 1817(j)(7)).

The notices are available for immediate inspection at the Federal Reserve Bank indicated. The notices also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing to the Reserve Bank indicated for that notice or to the offices of the Board of Governors. Comments must be received not later than February 25, 1998.

A. Federal Reserve Bank of Kansas City (D. Michael Manies, Assistant Vice President) 925 Grand Avenue, Kansas City, Missouri 64198-0001:

1. *Martin L. and Sandra D. Sisneros, Abenicio E. and Rosie M. Sisneros, Joaquin A. and Dolores Sisneros, Philip and Attonette Sisneros*, all of Belen, New Mexico, and Alex E. and Debbie Sisneros, Los Lunas, New Mexico; to acquire voting shares of The Bank of Belen, Belen, New Mexico.

Board of Governors of the Federal Reserve System, February 5, 1998.

Jennifer J. Johnson,

Deputy Secretary of the Board.

[FR Doc. 98-3376 Filed 2-10-98; 8:45 am]

BILLING CODE 6210-01-F

FEDERAL RESERVE SYSTEM

Formations of, Acquisitions by, and Mergers of Bank Holding Companies

The companies listed in this notice have applied to the Board for approval, pursuant to the Bank Holding Company Act of 1956 (12 U.S.C. 1841 *et seq.*) (BHC Act), Regulation Y (12 CFR Part 225), and all other applicable statutes and regulations to become a bank holding company and/or to acquire the assets or the ownership of, control of, or the power to vote shares of a bank or bank holding company and all of the banks and nonbanking companies owned by the bank holding company, including the companies listed below.

The applications listed below, as well as other related filings required by the Board, are available for immediate inspection at the Federal Reserve Bank indicated. The application also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the standards enumerated in the BHC Act (12 U.S.C. 1842(c)). If the proposal also involves the acquisition of a nonbanking company, the review also includes whether the acquisition of the nonbanking company complies with the standards in section 4 of the BHC Act. Unless otherwise noted, nonbanking activities will be conducted throughout the United States.

Unless otherwise noted, comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than March 6, 1998.

A. Federal Reserve Bank of Richmond (A. Linwood Gill III, Assistant Vice President) 701 East Byrd Street, Richmond, Virginia 23261-4528:

1. *Eagle Bancorp, Inc.*, Bethesda, Maryland; to become a bank holding company by acquiring 100 percent of EagleBank (in organization), Bethesda, Maryland.

Board of Governors of the Federal Reserve System, February 5, 1998.

Jennifer J. Johnson,

Deputy Secretary of the Board.

[FR Doc. 98-3375 Filed 2-10-98; 8:45 am]

BILLING CODE 6210-01-F

FEDERAL RESERVE SYSTEM

Formations of, Acquisitions by, and Mergers of Bank Holding Companies

The companies listed in this notice have applied to the Board for approval, pursuant to the Bank Holding Company Act of 1956 (12 U.S.C. 1841 *et seq.*) (BHC Act), Regulation Y (12 CFR Part

225), and all other applicable statutes and regulations to become a bank holding company and/or to acquire the assets or the ownership of, control of, or the power to vote shares of a bank or bank holding company and all of the banks and nonbanking companies owned by the bank holding company, including the companies listed below.

The applications listed below, as well as other related filings required by the Board, are available for immediate inspection at the Federal Reserve Bank indicated. The application also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the standards enumerated in the BHC Act (12 U.S.C. 1842(c)). If the proposal also involves the acquisition of a nonbanking company, the review also includes whether the acquisition of the nonbanking company complies with the standards in section 4 of the BHC Act. Unless otherwise noted, nonbanking activities will be conducted throughout the United States.

Unless otherwise noted, comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than March 9, 1998.

A. Federal Reserve Bank of Cleveland (Jeffery Hirsch, Banking Supervisor) 1455 East Sixth Street, Cleveland, Ohio 44101-2566:

1. *Northwest Bancorp, MHC, and Northwest Bancorp, Inc.*, both of Warren, Pennsylvania; to acquire 100 percent of the voting shares of Corry Savings Bank, Corry, Pennsylvania.

B. Federal Reserve Bank of Chicago (Philip Jackson, Applications Officer) 230 South LaSalle Street, Chicago, Illinois 60690-1413:

1. *Little Sioux Bancshares, Inc.*, Sioux Rapids, Iowa; to become a bank holding company by acquiring at least 87.67 percent of the voting shares of First State Bank, Sioux Rapids, Iowa.

C. Federal Reserve Bank of St. Louis (Randall C. Sumner, Vice President) 411 Locust Street, St. Louis, Missouri 63102-2034:

1. *National City Bancshares, Inc.*, Evansville, Indiana; to merge with Illinois One Bancorp, Inc., Shawneetown, Illinois, and thereby indirectly acquire Illinois One Bank, National Association, Shawneetown, Illinois.

D. Federal Reserve Bank of Minneapolis (Karen L. Grandstrand, Vice President) 90 Hennepin Avenue, P.O. Box 291, Minneapolis, Minnesota 55480-0291:

1. *Community First Bankshares, Inc.*, Fargo, North Dakota; to merge with Community Bancorporation, Thornton,

Colorado, and thereby indirectly acquire Community First National Bank, Thornton, Colorado.

2. *Community First Bankshares, Inc.*, Fargo, North Dakota; to merge with FNB, Inc., Greeley, Colorado, and thereby indirectly acquire First National Bank of Greeley, Greeley, Colorado, and Poudre Valley Bank, Fort Collins, Colorado.

3. *Community First Bankshares, Inc.*, Fargo, North Dakota; to acquire 100 percent of the voting shares of Pioneer Bank of Longmont, Longmont, Colorado.

Board of Governors of the Federal Reserve System, February 6, 1998.

Jennifer J. Johnson,

Deputy Secretary of the Board.

[FR Doc. 98-3453 Filed 2-10-98; 8:45 am]

BILLING CODE 6210-01-F

FEDERAL RESERVE SYSTEM

Notice of Proposals to Engage in Permissible Nonbanking Activities or to Acquire Companies that are Engaged in Permissible Nonbanking Activities

The companies listed in this notice have given notice under section 4 of the Bank Holding Company Act (12 U.S.C. 1843) (BHC Act) and Regulation Y, (12 CFR Part 225) to engage *de novo*, or to acquire or control voting securities or assets of a company that engages either directly or through a subsidiary or other company, in a nonbanking activity that is listed in § 225.28 of Regulation Y (12 CFR 225.28) or that the Board has determined by Order to be closely related to banking and permissible for bank holding companies. These activities will be conducted worldwide.

Each notice is available for inspection at the Federal Reserve Bank indicated. The notice also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the question whether the proposal complies with the standards of section 4 of the BHC Act.

Unless otherwise noted, comments regarding the applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than February 25, 1998.

A. Federal Reserve Bank of New York (Betsy Buttrill White, Senior Vice President) 33 Liberty Street, New York, New York 10045-0001:

1. *Union Bank of Switzerland*, Zurich, Switzerland ("UBS"); to acquire Swiss Bank Corporation, Basel, Switzerland ("SBC"), and thereby acquire its subsidiaries and engage worldwide in certain nonbanking activities. Under the

proposed transaction, SBC would merge into a subsidiary of UBS ("New UBS") and, shortly thereafter, UBS would merge into New UBS. UBS, through various subsidiaries, currently conducts certain nonbanking activities in the United States, including underwriting and dealing in equity and debt securities that a state member bank may not underwrite and deal in ("bank-ineligible securities"), pursuant to grandfather rights established by section 8(c) of the International Banking Act of 1978 (IBA) (12 U.S.C. § 3106(c)). Following consummation of the proposed transaction with SBC, UBS and New UBS propose to transfer certain nonbanking activities currently conducted by subsidiaries of UBS operating pursuant to the grandfather rights established by section 8(c) of the IBA to subsidiaries that would operate pursuant to section 4(c)(8) of the Bank Holding Company (BHC) Act, and thereby engage in such activities pursuant to section 4(c)(8) of the BHC Act and the Board's Regulation Y.

In connection with the transactions described above, UBS and New UBS propose to engage in the following nonbanking activities: (a) making, acquiring, or servicing loans or other extensions of credit pursuant to § 225.28(b)(1) of the Board's Regulation Y; (b) activities related to making, acquiring, brokering or servicing loans or other extensions of credit, including acquiring debt that is in default at the time of acquisition pursuant to § 225.28(b)(2) of the Board's Regulation Y; (c) leasing personal or real property or acting as agent, broker, or adviser in leasing such property pursuant to § 225.28(b)(3) of the Board's Regulation Y; (d) performing functions or activities that may be performed by a trust company pursuant to § 225.28(b)(5) of the Board's Regulation Y; (e) providing financial and investment advisory services pursuant to § 225.28(b)(6) of the Board's Regulation Y; (f) providing securities brokerage, riskless principal, private placement, futures commission merchant and other agency transactional services pursuant to § 225.28(b)(7) of the Board's Regulation Y; (g) underwriting and dealing in bank-eligible securities, engaging in investment and trading activities, and buying and selling bullion and related activities pursuant to § 225.28(b)(8) of the Board's Regulation Y; (h) serving as general partner of certain private investment limited partnerships in accordance with the BHC Act and the Board's decisions and interpretations thereunder, *see Meridian Bancorp, Inc.*, 80 Fed. Res. Bull. 736 (1994); and (i)