Legislation Enacted

Among the legislation enacted during 1997, the Riegle–Neal Amendments Act, the Treasury appropriation for fiscal year 1998, the Depository Institutions Disaster Relief Act, the 50 States Commemorative Coin Program Act, and an act authorizing the sale of the Culpeper facility of the Federal Reserve Bank of Richmond to the Architect of the Capitol directly affect the Federal Reserve System or the institutions it regulates.

Riegle–Neal Amendments Act

In 1994, the Congress enacted the Riegle–Neal Interstate Banking and Branching Act (Riegle–Neal Act) to establish a framework that would govern interstate branching. The Riegle–Neal Act permits banks to establish interstate branches through mergers with other banks, except in states that affirmatively chose, on or before June 1, 1997, not to permit interstate branching within their borders.

The Riegle–Neal Amendments Act (Pub. L. 105–24, 111 Stat. 238) (the act) provides that an insured state-chartered bank that establishes a branch in a host state may conduct any "activity" at the branch that is permissible under the laws of the bank's home state, so long as the "activity" is permissible for a bank chartered by the host state or for an out-of-state national bank branch located in the host state. For example, the activities of a branch of a New Jersey state-chartered bank located in New York (host state) would be governed by New Jersey state banking law (home state law) so long as the activities are permissible under New York state law or are permissible for out-of-state national bank branches located in New York. The act also provides that the laws of the host state, including laws regarding community reinvestment, consumer protection, fair lending, and establishment of intrastate branches, apply to any out-of-state, state-chartered bank branch located in a host state to the same extent that the host state's laws apply to an out-of-state, national bank branch located in the host state. To the extent that the host state's laws do not apply to the out-of-state branch, the home state's laws apply to the branch.

Before it was amended, the Riegle–Neal Act provided that an out-of-state bank that establishes a branch in a host state could not conduct any activity at that branch that was not permissible for a bank chartered by the host state and that the host state's laws applied to the out-of-state branch to the same extent that they applied to a branch of a bank chartered by the host state.

Treasury Appropriation for Fiscal Year 1998

The Treasury appropriation for fiscal year 1998 (Pub. L. 105–61, 111 Stat. 1272) authorizes a permanent indefinite appropriation to reimburse Federal Reserve Banks for fiscal agency services rendered to the Treasury Department.

Depository Institutions Disaster Relief Act

The Depository Institutions Disaster Relief Act (Pub. L. 105–18, 111 Stat. 211) (the act) granted the Board of

Governors the power, for a period of 240 days after June 12, 1997, to make exceptions to the Truth in Lending Act (TILA) and the Expedited Funds Availability Act (EFAA) for transactions within a geographic area that the President determined, on or after February 28, 1997, to be a major disaster area as a result of the 1997 flooding of the Red River of the North, the Minnesota River, and the tributaries of these rivers. The Board had the power to grant exceptions from TILA and EFAA if it determined that an exception could alleviate hardships to the public resulting from the disaster and that the benefits of the relief outweighed the possible adverse effects of granting the exception. The Board was required to publish in the *Federal Register* a description of each exception and a statement of its benefits, including an explanation of how the benefits outweighed the possible adverse effects. Exceptions had to expire no later than September 1, 1998.

The act also granted the Board authority to allow an insured depository institution, in calculating compliance with the leverage limits prescribed under section 38 of the Federal Deposit Insurance Act (FDI Act), to subtract from the institution's total assets an amount not exceeding the qualifying amount attributable to insurance proceeds. The Board could grant such an exception if the following conditions were met: (1) the depository institution had its principal place of business within, and 60 percent of its total deposits were from persons located within, an area designated as a major disaster area as a result of the 1997 flooding of the Red River of the North, the Minnesota River, and the tributaries of these rivers; (2) the depository institution was adequately capitalized before the disaster; (3) the depository institution had an acceptable plan for managing the increase in its total assets and deposits; and (4) the subtraction was consistent with the purposes of section 38 of the FDI Act. Exceptions to section 38 of the FDI Act had to expire no later than February 28, 1999.

The act also allowed the Board to exercise its authority with respect to depository institutions whose principal place of business is within, or with respect to transactions or activities within, an area designated as a major disaster area as a result of the 1997 flooding of the Red River of the North, the Minnesota River, and the tributaries of these rivers without complying with certain provisions of the Administrative Procedures Act or with provisions of any other law that requires a notice or opportunity for a hearing or that sets time limits for agency action. It also allowed the Board to waive publication requirements for establishing branches. The Board was required to publish in the *Federal Register* a description of each action taken as well as an explanation of the need for the action. The act also granted the Board authority to waive the application of the appraisal standards prescribed by title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 for transactions involving real property located within the disaster area.

50 States Commemorative Coin Program Act

The 50 States Commemorative Coin Program Act (Pub. L. 105–125, 111 Stat. 2534) (the act) grants the Treasury, among other powers, the authority to create a new $1 coin once the supply of Susan B. Anthony $1 coins is depleted. The new coin must (1) be golden in color, have a distinctive edge, with tactile and visual features making it readily discernible, (2) be minted and fabricated in the United States, and (3) have metallic anticounterfeiting properties similar to those of U.S. clad coinage in circulation as of December 1, 1997. The act directs the Treasury to adopt a marketing program to promote use of the new coins, to conduct a marketing study, and to report its progress to the Congress.

Sale of the Culpeper Facility of the Federal Reserve Bank of Richmond

A recent act (Pub. L. 105–144, 111 Stat. 2667) authorized the sale of the Culpeper facility of the Federal Reserve Bank of Richmond to the Architect of the Capitol, on behalf of the United States government. Three parcels totaling approximately forty-one acres, located in Culpeper County, Virginia, and the improvements thereunder will be transferred in the sale. Title will be transferred to the United State government, and the Federal Reserve will not be reimbursed for the property. ■