

103<sup>D</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 2808

To facilitate recovery from the recent flooding of the Mississippi River and its tributaries by providing greater flexibility for depository institutions and their regulators, and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

JULY 29, 1993

Mr. GONZALEZ (for himself, Mr. GRAMS, Mr. NEAL of North Carolina, Mr. LEACH, Mr. MCCOLLUM, Mr. BEREUTER, Mr. NUSSLE, Mr. WHEAT, and Mr. BARLOW) introduced the following bill; which was referred to the Committee on Banking, Finance and Urban Affairs

---

## A BILL

To facilitate recovery from the recent flooding of the Mississippi River and its tributaries 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. SHORT TITLE.**

4 This Act may be cited as the “Depository Institutions  
5 Disaster Relief Act of 1993”.

1 **SEC. 2. TRUTH IN LENDING ACT; EXPEDITED FUNDS**  
2 **AVAILABILITY ACT.**

3 (a) TRUTH IN LENDING ACT.—During the 180-day  
4 period beginning on the date of enactment of this Act, the  
5 Board of Governors of the Federal Reserve System may  
6 make exceptions to the Truth in Lending Act for trans-  
7 actions within an area in which the President, pursuant  
8 to section 401 of the Robert T. Stafford Disaster Relief  
9 and Emergency Assistance Act, has determined that a  
10 major disaster exists, or within an area determined to be  
11 eligible for disaster relief under other Federal law by rea-  
12 son of damage related to the 1993 flooding of the Mis-  
13 sissippi River and its tributaries, if the Board determines  
14 that the exception can reasonably be expected to alleviate  
15 hardships to the public resulting from such disaster that  
16 outweigh possible adverse effects.

17 (b) EXPEDITED FUNDS AVAILABILITY ACT.—During  
18 the 180-day period beginning on the date of enactment  
19 of this Act, the Board of Governors of the Federal Reserve  
20 System may make exceptions to the Expedited Funds  
21 Availability Act for depository institution offices located  
22 within any area referred to in subsection (a) of this section  
23 if the Board determines that the exception can reasonably  
24 be expected to alleviate hardships to the public resulting  
25 from such disaster that outweigh possible adverse effects.

1 (c) TIME LIMIT ON EXCEPTIONS.—Any exception  
2 made under this section shall expire not later than the  
3 earlier of—

4 (1) 1 year after the date of enactment of this  
5 Act; or

6 (2) 1 year after the date of any determination  
7 referred to in subsection (a).

8 (d) PUBLICATION REQUIRED.—The Board of Gov-  
9 ernors of the Federal Reserve System shall publish in the  
10 Federal Register a statement that—

11 (1) describes any exception made under this  
12 section; and

13 (2) explains how the exception can reasonably  
14 be expected to produce benefits to the public that  
15 outweigh possible adverse effects.

16 **SEC. 3. DEPOSIT OF INSURANCE PROCEEDS.**

17 (a) IN GENERAL.—The appropriate Federal banking  
18 agency may, by order, permit an insured depository insti-  
19 tution, during the 18-month period beginning on the date  
20 of enactment of this Act, to subtract from the institution's  
21 total assets, in calculating compliance with the leverage  
22 limit prescribed under section 38 of the Federal Deposit  
23 Insurance Act, an amount not exceeding the qualifying  
24 amount attributable to insurance proceeds, if the agency  
25 determines that—

1 (1) the institution—

2 (A) had its principal place of business  
3 within an area in which the President, pursuant  
4 to section 401 of the Robert T. Stafford Disas-  
5 ter Relief and Emergency Assistance Act, has  
6 determined that a major disaster exists, or  
7 within an area determined to be eligible for dis-  
8 aster relief under other Federal law by reason  
9 of damage related to the 1993 flooding of the  
10 Mississippi River and its tributaries, on the day  
11 before the date of any such determination;

12 (B) derives more than 60 percent of its  
13 total deposits from persons who normally reside  
14 within, or whose principal place of business is  
15 normally within, areas of intense devastation  
16 caused by the major disaster;

17 (C) was adequately capitalized (as defined  
18 in section 38 of the Federal Deposit Insurance  
19 Act) before the major disaster; and

20 (D) has an acceptable plan for managing  
21 the increase in its total assets and total depos-  
22 its; and

23 (2) the subtraction is consistent with the pur-  
24 pose of section 38 of the Federal Deposit Insurance  
25 Act.

1 (b) DEFINITIONS.—For purposes of this section:

2 (1) APPROPRIATE FEDERAL BANKING AGEN-  
3 CY.—The term “appropriate Federal banking agen-  
4 cy” has the same meaning as in section 3 of the  
5 Federal Deposit Insurance Act.

6 (2) INSURED DEPOSITORY INSTITUTION.—The  
7 term “insured depository institution” has the same  
8 meaning as in section 3 of the Federal Deposit In-  
9 surance Act.

10 (3) LEVERAGE LIMIT.—The term “leverage  
11 limit” has the same meaning as in section 38 of the  
12 Federal Deposit Insurance Act.

13 (4) QUALIFYING AMOUNT ATTRIBUTABLE TO  
14 INSURANCE PROCEEDS.—The term “qualifying  
15 amount attributable to insurance proceeds” means  
16 the amount (if any) by which the institution’s total  
17 assets exceed the institution’s average total assets  
18 during the calendar quarter ending before the date  
19 of any determination referred to in subsection  
20 (a)(1)(A), because of the deposit of insurance pay-  
21 ments or governmental assistance made with respect  
22 to damage caused by, or other costs resulting from,  
23 the major disaster.

1 **SEC. 4. BANKING AGENCY PUBLICATION REQUIREMENTS.**

2 (a) IN GENERAL.—During the 180-day period begin-  
3 ning on the date of enactment of this Act, a qualifying  
4 regulatory agency may take any of the following actions  
5 with respect to depository institutions or other regulated  
6 entities whose principal place of business is within, or with  
7 respect to transactions or activities within, an area in  
8 which the President, pursuant to section 401 of the Robert  
9 T. Stafford Disaster Relief and Emergency Assistance  
10 Act, has determined that a major disaster exists, or within  
11 an area determined to be eligible for disaster relief under  
12 other Federal law by reason of damage related to the 1993  
13 flooding of the Mississippi River and its tributaries, if the  
14 agency determines that the action would facilitate recovery  
15 from the major disaster:

16 (1) PROCEDURE.—Exercising the agency’s au-  
17 thority under provisions of law other than this sec-  
18 tion without complying with—

19 (A) any requirement of section 553 of title  
20 5, United States Code; or

21 (B) any provision of law that requires no-  
22 tice or opportunity for hearing or sets maxi-  
23 mum or minimum time limits with respect to  
24 agency action.

25 (2) PUBLICATION REQUIREMENTS.—Making ex-  
26 ceptions, with respect to institutions or other entities

1 for which the agency is the primary Federal regu-  
2 lator, to—

3 (A) any publication requirement with re-  
4 spect to establishing branches or other deposit-  
5 taking facilities; or

6 (B) any similar publication requirement.

7 (b) PUBLICATION REQUIRED.—A qualifying regu-  
8 latory agency shall publish in the Federal Register a state-  
9 ment that—

10 (1) describes any action taken under this sec-  
11 tion; and

12 (2) explains the need for the action.

13 (c) QUALIFYING REGULATORY AGENCY DEFINED.—  
14 For purposes of this section, the term “qualifying regu-  
15 latory agency” means—

16 (1) the Board of Governors of the Federal Re-  
17 serve System;

18 (2) the Comptroller of the Currency;

19 (3) the Director of the Office of Thrift Super-  
20 vision;

21 (4) the Federal Deposit Insurance Corporation;

22 (5) the Financial Institutions Examination  
23 Council;

24 (6) the National Credit Union Administration;

25 and

1 (7) with respect to chapter 53 of title 31, Unit-  
2 ed States Code, the Secretary of the Treasury.

3 **SEC. 5. STUDY; REPORT TO THE CONGRESS.**

4 (a) STUDY.—The Comptroller General of the United  
5 States shall conduct a study that—

6 (1) examines how the agencies and entities  
7 granted authority by the Depository Institutions  
8 Disaster Relief Act of 1992 and by this Act have ex-  
9 exercised such authority;

10 (2) evaluates the utility of such Acts in facili-  
11 tating recovery from disasters consistent with the  
12 safety and soundness of depository institutions; and

13 (3) contains recommendations with respect to  
14 whether the authority granted by this Act should be  
15 made permanent.

16 (b) REPORT TO THE CONGRESS.—Not later than 18  
17 months after the date of the enactment of this Act, the  
18 Comptroller General of the United States shall submit to  
19 the Congress a report on the results of the study required  
20 by subsection (a).

21 **SEC. 6. SENSE OF THE CONGRESS.**

22 It is the sense of the Congress that the Board of Gov-  
23 ernors of the Federal Reserve System, the Comptroller of  
24 the Currency, the Director of the Office of Thrift Super-  
25 vision, the Federal Deposit Insurance Corporation, and

1 the National Credit Union Administration should encour-  
2 age depository institutions meet the financial services  
3 needs of their communities and customers located in areas  
4 affected by the 1993 flooding of the Mississippi River and  
5 its tributaries.

6 **SEC. 7. OTHER AUTHORITY NOT AFFECTED.**

7       Nothing in this Act limits the authority of any de-  
8 partment or agency under any other provision of law.

○