

Transmittal **RESCINDED**



June 7, 1994

Number: 106

The rescission of this Transmittal Letter does not address the status of the conveyed document. To determine the status of the conveyed document, please check with the original issuer of the document.

On February 24, 1994, the Federal Reserve

rule implementing changes to 12 CFR 215 (Regulation O). These changes were effective on February 18, 1994. Attached is a copy of the full text of the change from the *Federal Register* (Volume 59, No. 37).

Regulation O governs loans to executive officers, directors, and principal shareholders of member banks. The Office of Thrift Supervision (OTS) has incorporated Subpart A of Regulation O by reference at 12 CFR 563.43.* The provisions of Regulation O, therefore, apply to a savings association, its subsidiaries and insiders (directors, officers, and related interests) in the same manner and to the same extent as if the association were a bank and a member bank.

on O to:

- Increase the aggregate limit on lending to insiders of eligible small banks from 100 percent to 200 percent of unimpaired capital and surplus;
- Provide alternative recordkeeping procedures on loans to insiders of affiliates;
- Narrow the definition of "extension of credit"; and
- Adopt exceptions to the general restrictions on lending to insiders and the special restrictions on lending to executive officers.

* The OTS has recently proposed to conform 12 CFR Section 563.43 with 12 USC Section 1972 to incorporate Subpart B of Regulation O by reference as well. 59 FR 18982 (April 21, 1994)

Jonathan L. Fiechter
Acting Director
Office of Thrift Supervision

Attachment