

FEDERAL DEPOSIT INSURANCE CORPORATION

Clarification of Applicability of Statement of Policy on Foreclosure Consent and Redemption Rights

AGENCY: Federal Deposit Insurance Corporation.

ACTION: Clarification of Statement of Policy on Foreclosure Consent and Redemption Rights (Policy Statement) regarding the applicability of the Policy Statement to Resolution Trust Corporation assets that have been transferred by operation of law to the Federal Deposit Insurance Corporation (Corporation), and update Corporation addresses for receipt of requests for consent.

SUMMARY: In 1992, the Federal Deposit Insurance Corporation (Corporation or FDIC) adopted a policy statement (Policy Statement) concerning 12 U.S.C. 1825(b)(2), the codification of section 15(b) of the Federal Deposit Insurance Act (FDIA), and 28 U.S.C. 2410(c). The Policy Statement was published in the July 2, 1992 edition of the Federal Register (57 FR 29491). In conjunction with the Policy Statement, an initial listing of financial institutions in liquidation was also published in the July 2, 1992 edition of the Federal Register (57 FR 29494).

The Resolution Trust Corporation (RTC) had adopted an interim policy statement concerning 12 U.S.C. 1825(b)(2) and 28 U.S.C. 2410(c). The RTC policy statement was published in the May 7, 1992 edition of the Federal Register (57 FR 19651).

Upon termination of the RTC on December 31, 1995, by operation of law the Corporation succeeded the RTC as conservator or receiver of those depository institutions for which the RTC acted as conservator or receiver. 12 U.S.C. 1441a(m)(1).

Assets owned by the RTC in its corporate capacity have been transferred to the FSLIC Resolution Fund. 12 U.S.C. 1441a(m)(2).

The Corporation is publishing this clarification to remove uncertainty regarding the applicability of the Corporation's Policy Statement to assets for which the Corporation has succeeded the RTC as conservator or receiver and to assets for which the Corporation as manager of the FSLIC Resolution Fund has succeeded the RTC as owner. This clarification to the Corporation's Policy Statement confirms that commencing January 1, 1996 (which was the first date after termination of the RTC), the requirement for consent to foreclosure

regarding all assets formerly held by institutions in liquidation for which the RTC was conservator or receiver or formerly held by the RTC in its corporate capacity will be governed by the Policy Statement.

Finally, because certain of the offices to which consent requests are to be sent have changed since the most recent update published in the Federal Register on May 15, 1995 (60 FR 25909), in this notice, the Corporation is publishing the current offices and addresses to which consent notices are to be sent.

EFFECTIVE DATE: January 1, 1996.

FOR FURTHER INFORMATION CONTACT: Joseph W. Schantz, Asset Disposition Specialist, Asset Disposition and Operation Branch (202-416-7302), or Barbara Mutterperl, Counsel, Legal Division (202-736-0136), Federal Deposit Insurance Corporation, 550 17th Street, NW, Washington, DC 20429.

Clarification of Applicability of Statement of Policy Regarding 12 U.S.C. 1825(b)(2) and 28 U.S.C. 2410(c)

1. Purpose

To clarify that the Statement of Policy Regarding 12 U.S.C. 1825(b)(2) and 28 U.S.C. 2410(c) (Policy Statement) promulgated by the Federal Deposit Insurance Corporation (the Corporation) in the July 2, 1992 edition of the Federal Register (57 FR 29491) applies to assets formerly held by the Resolution Trust Corporation (RTC) for which the Corporation has succeeded the RTC as conservator or receiver or for which the Corporation as manager of the FSLIC Resolution Fund has succeeded the RTC as owner; to confirm that from and after the Effective Date of this notice, the Interim Statement of Policy on Foreclosure Consent and Redemption Rights (the Interim Policy) promulgated by the RTC in the May 7, 1992 edition of the Federal Register (57 FR 19651), shall not be applicable to assets formerly held by the RTC for which the Corporation has succeeded the RTC as conservator or receiver or for which the Corporation as manager of the FSLIC Resolution Fund has succeeded the RTC as owner; to change references to the "Division of Liquidation" to the "Division of Depositor and Asset Services," in keeping with the current organizational structure of the Corporation; and to correct the addresses to which requests for consent shall be sent.

2. Clarification

The FDIC is issuing this clarification in response to section 303 of the Riegle Community Development and

Regulatory Improvement Act of 1994 ("CDRIA"), Pub. L. 103-325, 108 Stat. 2160 (Sept. 23, 1994). This statute requires that each federal banking agency, consistent with the principles of safety and soundness, statutory law and policy, and the public interest, conduct a review of the regulations and written policies of that agency to, among other things: streamline and modify those regulations and policies, and remove inconsistencies and outmoded and duplicative requirements.

As a result of its review of the Policy Statement, the FDIC has determined that Policy Statement should be clarified. In accordance with section 303 of CDRIA, the FDIC believes that this clarification will improve efficiency and reduce unnecessary costs and is consistent with the principles of safety and soundness, statutory law and policy, and the public interest.

This document clarifies that, as of the Effective Date, the Policy Statement shall apply to all assets of the Corporation, including those assets formerly held by the RTC for which the Corporation has succeeded the RTC as conservator or receiver or for which the Corporation as manager of the FSLIC Resolution Fund has succeeded the RTC as owner. In addition, as of the Effective Date, the Interim Policy of the RTC shall have no further force or effect, except with respect to foreclosures completed prior to the Effective Date. For this purpose, a nonjudicial foreclosure action shall be considered completed upon recordation of the trustee's deed conveying the property to the purchaser at a foreclosure sale; a judicial foreclosure shall be considered completed upon entry of a final, nonappealable judgment. Finally, this clarification hereby changes all references to the "Division of Liquidation" in the Policy Statement to the "Division of Depositor and Asset Services."

3. Address Correction

Where consent of the Corporation is required pursuant to the Policy Statement, lienholders shall submit a written request to the Corporation. The request shall be delivered to the Corporation by certified mail at the address indicated below with the envelope marked: "Foreclosure Consent Request." The request shall be sent to the Corporation office that covers the state in which the financial institution in liquidation is located. The states covered by each Corporation office are listed under the addresses of each office. In certain instances, as set forth below, institutions in liquidation for which the Corporation has been appointed

receiver, liquidator or manager and institutions in liquidation for which the RTC was formerly receiver, from the same state are handled by different Corporation offices. Except with respect to the address, all procedures set forth in the Notice of Financial Institutions for Which the Federal Deposit Insurance Corporation Has Been Appointed Either Receiver, Liquidator, or Manager, published in the July 2, 1992 edition of the Federal Register, at page 29494, shall remain unchanged.

Northeast Service Center

111 Founders Plaza, 14th Floor, East
Hartford, CT 06128, (800) 873-7785,
(860) 291-4000

FDIC Institutions

Connecticut
Maine
Massachusetts
New Hampshire
New Jersey
New York
Pennsylvania
Rhode Island
Vermont
Puerto Rico
Virgin Islands

Former RTC Institutions

Connecticut
Delaware
Maine
Massachusetts
New Hampshire
New Jersey
New York
Pennsylvania
Rhode Island
Vermont

Southeast Service Center

1201 West Peachtree St. NE, 18th Floor,
Atlanta, GA 30309-3415, (800) 765-
3342 (404) 817-2500

FDIC Institutions

Alabama
Delaware
District of Columbia
Florida
Georgia
Kentucky
Maryland
Mississippi
North Carolina
South Carolina
Tennessee
Virginia
West Virginia

Former RTC Institutions

Alabama
District of Columbia
Florida

Georgia
Maryland
North Carolina
South Carolina
Tennessee
Virginia
West Virginia
Puerto Rico
Virgin Islands

Midwest Service Center

500 West Monroe, Chicago, IL 60661,
(800) 944-5343, (312) 382-5575

FDIC Institutions

Illinois
Indiana
Iowa
Kansas
Michigan
Minnesota
Missouri
Nebraska
North Dakota
Ohio
South Dakota
Wisconsin

Former RTC Institutions

Alaska
Arkansas
Idaho
Illinois
Indiana
Iowa
Kansas
Kentucky
Michigan
Minnesota
Missouri
Montana
Nebraska
North Dakota
Ohio
Oklahoma
Oregon
South Dakota
Washington
Wisconsin
Wyoming

Southwest Service Center

5080 Spectrum Drive, Suite 1000E,
Dallas, TX 75248, (800) 319-1444
(214) 385-4700

FDIC Institutions

Arkansas
Colorado
Louisiana
New Mexico
Oklahoma
Texas

Former RTC Institutions

Louisiana
Mississippi
Texas

Western Service Center

4 Park Plaza, Newport Beach, CA 92714,
(800) 234-0867, (714) 263-7700

FDIC Institutions

Alaska
Arizona
California
Hawaii
Idaho
Montana
Nevada
Oregon
Utah
Washington
Wyoming
Guam

Former RTC Institutions

Arizona
California
Colorado
Hawaii
Nevada
New Mexico
Utah
Guam

4. Listing of Financial Institutions in Liquidation

To reduce uncertainty regarding identification of Corporation and former RTC institutions in liquidation or for which the Corporation or RTC has been appointed receiver, the Corporation will publish two lists: the first will be a consolidation of and listing of financial institutions in liquidation of the Corporation, superseding the listing published in the July 2, 1992 edition of the Federal Register at page 29494, and all subsequent updates thereto, through and including the most recent update set forth in the May 15, 1995 edition of the Federal Register (60 FR 25909). Immediately following this listing will be a listing of all financial institutions in liquidation for which the RTC was formerly receiver, superseding the listing published in the September 1, 1992 edition of the Federal Register (57 FR 39715). The respective states in which each of the institutions in liquidation is located will be set forth in the lists of the financial institutions in liquidation.

By order of the Board of Directors.

Dated at Washington, DC, this 10th day of September, 1996.

Federal Deposit Insurance Corporation

Jerry L. Langley,

Executive Secretary.

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