

Public Law 97-457
97th Congress

Joint Resolution

To make technical corrections in certain banking and related statutes.

Jan. 12, 1983

[S.J. Res. 271]

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) Section 13(c)(5)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1823(c)(5)(A)), as added by section 111 of Public Law 97-320, is amended by inserting "or dividends" after "interest".

(b) The amendment made by subsection (a) shall be deemed to have taken effect upon the enactment of Public Law 97-320.

SEC. 2. Section 5(o)(1) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(o)(1)), as added by section 112 of Public Law 97-320, is amended by inserting "examination," after "operation,".

SEC. 3. The last sentence of section 26(a) of the Federal Deposit Insurance Act (12 U.S.C. 1831c(a)), as added by section 113(p) of Public Law 97-320, is amended by striking out "Depository Institutions Amendments" and inserting in lieu thereof "Garn-St Germain Depository Institutions Act".

SEC. 4. Section 13(f)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1823(f)(1)), as added by section 116 of Public Law 97-320, is amended by striking out "paragraphs" both places it appears and inserting in lieu thereof "paragraph".

SEC. 5. Section 406(c)(3) of the National Housing Act (12 U.S.C. 1729(c)(3)), as amended by section 122(f) of Public Law 97-320, is amended by striking out "paragraphs (1) or (2)" and inserting in lieu thereof "paragraph (1) or (2)".

SEC. 6. Section 408(l) of the National Housing Act (12 U.S.C. 1730a(l)) is amended by striking out "mergers or acquisitions approved under subsection (e)(2)" and inserting in lieu thereof "any transaction approved under subsection (e)(2) or (m)".

SEC. 7. (a) Section 408(m)(1)(A)(i) of the National Housing Act (12 U.S.C. 1730a(m)(1)(A)(i)), as added by section 123 of Public Law 97-320, is amended by striking out "subsections (e) (2) and (1)" and inserting in lieu thereof "subsections (e) (2) and (1)".

(b) Section 408(m)(1)(B)(iii) of such Act is amended by striking out "Board of Directors" each place it appears and inserting in lieu thereof "Federal Home Loan Bank Board".

SEC. 8. The second sentence of section 17(a) of the Federal Home Loan Bank Act (12 U.S.C. 1437(a)), as amended by section 127 of Public Law 97-320, is amended—

(1) by striking out "the Administrative Procedure Act" and inserting in lieu thereof "section 553 of title 5, United States Code"; and

(2) by striking out "such Act" and inserting in lieu thereof "section 554 of such title".

SEC. 9. (a) Section 406(f)(5)(C)(ii) of the National Housing Act (12 U.S.C. 1729(f)(5)(C)(ii)), as added by section 202 of Public Law 97-320, is amended by striking out "if" the second place it appears.

Certain banking and related statutes, technical corrections.

Ante, p. 1469.

Effective date.

12 USC 1823

note.

Ante, p. 1471.

Ante, p. 1474.

Ante, p. 1476.

Ante, p. 1482.

Ante, p. 1483.

Ante, p. 1486.

Ante, p. 1489.

Ante, p. 1489.

(b)(1) Section 406(f)(5)(I) of such Act (12 U.S.C. 1729(f)(5)(I)), as added by section 202 of Public Law 97-320, is amended by inserting "or dividends" after "interest".

Effective date.
12 USC 1729
note.

(2) The amendment made by paragraph (1) shall be deemed to have taken effect upon the enactment of Public Law 97-320.

Ante, p. 1492.

SEC. 10. (a) Section 13(i)(9) of the Federal Deposit Insurance Act (12 U.S.C. 1823(i)(9)), as added by section 203 of Public Law 97-320, is amended by inserting "or dividends" after "interest".

Effective date.
12 USC 1823
note.

(b) The amendment made by subsection (a) shall be deemed to have taken effect upon the enactment of Public Law 97-320.

Ante, p. 1492.

SEC. 11. Section 206 of Public Law 97-320 is amended to read as follows:

"SUNSET PROVISION

12 USC 1729,
1823,
1729 note.

"SEC. 206. (a) Upon the expiration of three years after the date of enactment of this Act, section 406(f)(5) of the National Housing Act and section 13(i) of the Federal Deposit Insurance Act are repealed.

Ante, p. 1489.
Ante, p. 1492.

"(b) The repeal by subsection (a) shall have no effect on any action taken or authorized pursuant to the amendments made by this title by or for a qualified institution while such amendments were in effect and while net worth certificates issued pursuant to these amendments are outstanding."

Ante, p. 1496.

SEC. 12. The first sentence of section 5(b)(1)(B) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(b)(1)(B)), as amended by section 312 of Public Law 97-320, is amended by inserting "may accept a demand account from itself and" after "An association".

Ante, p. 1501.

SEC. 13. Section 204 of the Depository Institutions Deregulation Act of 1980 (12 U.S.C. 3503), as amended by section 327 of Public Law 97-320, is amended by adding at the end thereof the following:

12 USC 461.

"(4) The transitional adjustment provisions in section 19(b)(8) of the Federal Reserve Act, providing for the phase-in of reserve requirements, shall not apply to an account or accounts established pursuant to this subsection."

SEC. 14. (a)(1) Section 5(c)(3) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)(3)) is amended by adding at the end thereof the following:

"(D) CONSTRUCTION LOANS WITHOUT SECURITY.—Investments not exceeding the greater of (i) the sum of its surplus, undivided profits, and reserves, or (ii) 5 per centum of the assets of the association, in loans the principal purpose of which is to provide financing with respect to what is or is expected to become primarily residential real estate where (I) the association relies substantially for repayment on the borrower's general credit standing and forecast of income without other security, or (II) the association relies on other assurances for repayment, including but not limited to a guaranty or similar obligation of a third party. Investments under this subsection shall not be included in any percentage of assets or other percentage referred to in this subsection."

Effective date.
12 USC 1464
note.
Ante, p. 1504.

(2) The amendment made by paragraph (1) shall be deemed to have taken effect upon the enactment of Public Law 97-320.

(b) Section 5(r)(2)(B) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(r)(2)(B)), as added by section 334 of Public Law 97-320, is amended by striking out "Depository Institutions Amendments" and inserting in lieu thereof "Garn-St Germain Depository Institutions Act".

SEC. 15. Section 352 of Public Law 97-320, is amended by inserting "Home" after "Federal" the first place it appears. *Ante*, p. 1507.

SEC. 16. Section 6(m) of the Federal Home Loan Bank Act (12 U.S.C. 1426(m)), as added by section 355(b) of Public Law 97-320, is amended by striking out "Banks" and inserting in lieu thereof "banks or in connection with obtaining a charter from the Federal Home Loan Bank Board". *Ante*, p. 1508.

SEC. 17. (a) Section 5200(b)(1) of the Revised Statutes (12 U.S.C. 84), as amended by section 401 of Public Law 97-320, is amended by inserting a comma before "to the extent specified by the Comptroller of the Currency". *Ante*, p. 1508.

(b) Section 11(m) of the Federal Reserve Act (12 U.S.C. 248(m)) is amended by striking out in the first sentence "under paragraph (8) of section 5200 of the Revised Statutes, as amended (U.S.C., Supp. VII, title 12, sec. 84)" and inserting in lieu thereof "under section 5200(c)(4) of the Revised Statutes".

SEC. 18. The last proviso of section 5136 Seventh of the Revised Statutes (12 U.S.C. 24 Seventh), as amended by section 404(b) of Public Law 97-320, is amended by striking out "10 per centum of its" and inserting in lieu thereof "10 per centum of the association's". *Ante*, p. 1511.

SEC. 19. (a) Section 2(b) of the Act of May 1, 1886 (12 U.S.C. 30(b)), as amended by section 405(a) of Public Law 97-320, is amended by inserting "for a relocation outside such limits" after "stock of such association". *Ante*, p. 1512.

(b) The first sentence of section 5154 of the Revised Statutes (12 U.S.C. 35) is amended by striking out "with any name approved by the Comptroller of the Currency" and inserting in lieu thereof "with a name that contains the word 'national'".

SEC. 20. (a) Section 406 of Public Law 97-320 is amended to read as follows: *Ante*, p. 1512.

"VENUE PROVISIONS"

"SEC. 406. The last sentence of section 5198 of the Revised Statutes (12 U.S.C. 94) is amended to read as follows: 'Any action or proceeding against a national banking association for which the Federal Deposit Insurance Corporation has been appointed receiver, or against the Federal Deposit Insurance Corporation as receiver of such association, shall be brought in the district or territorial court of the United States held within the district in which that association's principal place of business is located, or, in the event any State, county, or municipal court has jurisdiction over such an action or proceeding, in such court in the county or city in which that association's principal place of business is located.'"

(b) The amendment made by subsection (a) shall be deemed to have taken effect upon the enactment of Public Law 97-320. *Effective date.*
12 USC 94 note.

SEC. 21. Section 4(b)(1) of the Act of March 9, 1933 (12 U.S.C. 95(b)(1)), as amended by section 407 of Public Law 97-320, is amended by inserting "a State or" before "a State official". *Ante*, p. 1513.

SEC. 22. Section 23A(d) of the Federal Reserve Act (12 U.S.C. 371c(d)), as amended by section 410(b) of Public Law 97-320, is amended— *Ante*, p. 1515.

(1) by striking out "except for the purchase of a low-quality asset which is prohibited" in paragraph (1) and inserting in lieu thereof "subject to the prohibition contained in subsection (a)(3)"; and

(2) by striking out "purchasing loans on a nonrecourse basis from affiliated banks" in paragraph (6) and inserting in lieu thereof " , subject to the prohibition contained in subsection (a)(3), purchasing loans on a nonrecourse basis from affiliated banks".

Ante, p. 1521. SEC. 23. (a) Section 412 of Public Law 97-320 is amended to read as follows:

"VISITORIAL POWERS

"SEC. 412. The fifth paragraph of section 5240 of the Revised Statutes (12 U.S.C. 484) is amended to read as follows:

"(A) No national bank shall be subject to any visitorial powers except as authorized by Federal law, vested in the courts of justice or such as shall be, or have been exercised or directed by Congress or by either House thereof or by any committee of Congress or of either House duly authorized.

"(B) Notwithstanding subparagraph (A), lawfully authorized State auditors and examiners may, at reasonable times and upon reasonable notice to a bank, review its records solely to ensure compliance with applicable State unclaimed property or escheat laws upon reasonable cause to believe that the bank has failed to comply with such laws."

Effective date. (b) The amendment made by subsection (a) shall be deemed to have taken effect upon the enactment of Public Law 97-320.

12 USC 484 note.

Ante, p. 1522.

SEC. 24. Section 424(g) of Public Law 97-320 is amended by striking out "688" and inserting in lieu thereof "668".

Ante, p. 1529.

SEC. 25. Section 107(5)(A)(i) of the Federal Credit Union Act (12 U.S.C. 1757(5)(A)(i)), as amended by section 507 of Public Law 97-320, is amended by striking out "Association" and inserting in lieu thereof "Administration".

Ante, p. 1530.

SEC. 26. Section 107(7) of the Federal Credit Union Act (12 U.S.C. 1757(7)), as amended by section 514 of Public Law 97-320, is amended—

(1) by striking out "and" before "(J)";

(2) by striking out "(L)" and inserting in lieu thereof "(K)";

and

(3) by striking out "; and" at the end thereof and inserting in lieu thereof a period.

Ante, p. 1530.

SEC. 27. The next to the last sentence of section 124 of the Federal Credit Union Act (12 U.S.C. 1770), as amended by section 515 of Public Law 97-320, is amended by inserting "of" after "installation".

Ante, p. 1532.

SEC. 28. Section 113 of the Federal Credit Union Act (12 U.S.C. 1761b), as amended by section 522 of Public Law 97-320, is amended—

(1) by striking out "directions" and inserting in lieu thereof "direction";

(2) by striking out "unions" in paragraph (2) and inserting in lieu thereof "union";

(3) by inserting "by" after "interest paid" in paragraph (9);

and

(4) by striking out "meetings" in paragraph (15) and inserting in lieu thereof "meeting".

Ante, p. 1535.

SEC. 29. Section 202(c) of the Federal Credit Union Act (12 U.S.C. 1782(c)), as amended by section 529 of Public Law 97-320, is

amended by striking out "paragraphs (2) and (3)" in paragraph (1) and inserting in lieu thereof "paragraph (2)".

SEC. 30. The first sentence of section 4(c)(8) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)(8)), as amended by section 601 of Public Law 97-320, is amended—

Ante, p. 1536.

(1) by inserting "Provided, however, That such a bank holding company and its subsidiaries may not engage in the sale of life insurance or annuities except as provided in subparagraph (A), (B), or (C)" before "; or (G)"; and

(2) by striking out the proviso at the end thereof.

SEC. 31. Section 701(c) of Public Law 97-320 is amended—

Ante, p. 1538.

(1) by striking out "both"; and

(2) by inserting "on," after "prior to".

SEC. 32. (a) Section 1(b)(4) of the Bank Service Corporation Act (12 U.S.C. 1861(b)(4)), as amended by section 709 of Public Law 97-320, is amended—

Ante, p. 1540.

(1) by striking out "or another" after "insured bank," and inserting in lieu thereof "a"; and

(2) by inserting before the final semicolon the following: "or a financial institution the accounts or deposits of which are insured or guaranteed under State law and are eligible to be insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or the National Credit Union Administration Board".

(b) The Bank Service Corporation Act, as amended by section 709 of Public Law 97-320, is amended—

Ante, p. 1540.

(1) by striking out "the Financial Institutions Supervisory Act of 1966 (12 U.S.C. 1818(b) et seq.)" in section 7(b) and inserting in lieu thereof the following: "section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818)"; and

(2) by striking out "under this Act" in subsections (d) and (e) of section 4 and inserting in lieu thereof "under the law of the United States".

SEC. 33. Section 414(a) of the National Housing Act (12 U.S.C. 1730c) is amended by inserting "(which, for the purpose of this section, shall include a Federal association the deposits of which are insured by the Federal Deposit Insurance Corporation)" after "insured institution" the first place it appears.

12 USC 1730g.

Approved January 12, 1983.

LEGISLATIVE HISTORY—S. J. Res. 271:

CONGRESSIONAL RECORD, Vol. 128 (1982):

Dec. 16, considered and passed Senate.

Dec. 21, considered and passed House, amended; Senate agreed to House amendments.