



BANKING ISSUANCES

Comptroller of the Currency
Administrator of National Banks

Type: Banking Bulletin

Subject: Depository Institutions Disaster Relief
Act of 1992

To: Chief Executive Officers of All National Banks, Deputy Comptrollers, Department and Division Heads, and All Examining Personnel

PURPOSE

On October 23, 1992, the President signed the Depository Institutions Disaster Relief Act of 1992 ("Act"). The Act grants the federal financial institution regulatory agencies (Agencies) the authority to temporarily exempt certain regulatory requirements within locations that are declared a "major disaster area" by the President of the United States.

The Act covers the financial regulatory areas that Congress deemed most beneficial to the prompt recovery of an area, as follows:

- Appraisal Requirements. Permanent change. Section 2 of the Act permits the Agencies to grant exceptions to the federal appraisal requirements for qualifying real property related transactions in a declared Major Disaster Area ("MDA"). The exemption lasts for a period not to exceed three years from the date of declaration.

For this Section to be in effect, the Agencies must publish a Statement and Notice of Order, or a regulation, in the Federal Register activating the provisions for a specific MDA.

- Truth in Lending and Expedited Funds Acts. Temporary change. From October 23, 1992 through April 20, 1993, the Board of Governors of the Federal Reserve System (FRB) is authorized by Section 3 to grant exceptions to the requirements of the Truth in Lending Act and the Expedited Funds Availability Act for transactions in an MDA.

For this section to be in effect, the FRB must publish a regulation or Order in the Federal Register activating the provisions for the specific MDA.

- Publication Requirements. Temporary change. From October 23, 1992 through April 20, 1993, Section 5 of the Act authorizes the Agencies to grant exemptions from publication and notice requirements relating to corporate activities as well as certain requirements of the Administrative Procedures Act.

For this section to be in effect, the Agencies must publish a Statement and Notice of Order, or a regulation, in the Federal Register activating the provisions for the specific MDA.

- Deposit of Insurance Proceeds. Temporary change. From October 23, 1992 through April 22, 1994, Section 4 of the Act authorizes the Agencies to grant an exception for abnormal deposit growth of a financial institution located in the MDA. This exception permits the deduction of certain disaster-related deposits from total assets when calculating the leverage ratio under risk-based capital for the prompt corrective action requirements of Section 38 of the Federal Deposit Insurance Act.

This section does not require publication of an order in the Federal Register. However, to be in effect, each bank desiring to be granted an exception must qualify and apply for a specific order to be issued to the bank by the District.

ACTION

The OCC, on November 17, 1992, in conjunction with the other participating Agencies, published a Statement and Notice of Order activating the provisions of Section 2 the Act for the MDAs declared on:

- May 2, 1992 for the civil unrest in Los Angeles;
- August 24, 1992 for Hurricane Andrew in Florida;
- August 26, 1992 for Hurricane Andrew in Louisiana; and,
- September 12, 1992 for Hurricane Iniki in Hawaii.

The Order is effective as of the date of publication, November 17, 1992. Accordingly, the provisions of this Act may be applied retroactive to the date of declaration for qualifying transactions in each of the specific MDAs.

Attached to this Banking Bulletin are:

1. A copy of the interagency news release.
2. A copy of the interagency Statement and Order dealing with real estate appraisals.
3. A copy of Fannie Mae's guidance regarding real estate appraisals and the secondary market.
4. A copy of the Order published by the Federal Reserve regarding Truth in Lending.
5. An enrolled copy of DIDRA.

Questions concerning the applicability of the provisions in the Act to your bank should be directed to the OCC office responsible for supervising your institution. Specific questions

regarding Truth in Lending and Expedited Funds Availability should be directed to your District Federal Reserve Bank.

RESPONSIBLE OFFICE

Questions concerning this bulletin should be directed to the Office of the Chief National Bank Examiner, (202) 874-5170.

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Related Links

- [Joint News Release](#)
- [Statement and Order - Real Estate Appraisals](#)
- [FannieMae Guidance on Real Estate Appraisals](#)
- [Order - Truth in Lending](#)
- [Enrolled Copy of DIDRA](#)