

# RESCINDED

OCC Bulletin 1996-22| April 18, 1996

Transmittal – See OCC 2020-11

## Part 34 - Real Estate Lending and Appraisals Subpart B (ARMs) and Subpart E (OREO): Transmits Final Rule

### Purpose

The Office of the Comptroller of the Currency published the attached final rule revising various subparts of Part 34 in the Federal Register (61 FR 11294) on March 20, 1996 with an effective date of April 19, 1996. The OCC had proposed revising Part 34 under its Regulation Review Program. The goal of this program is to modernize and clarify rules, eliminate unnecessary regulatory burdens, and apply regulatory requirements only when needed to address safety and soundness concerns or statutory responsibilities of the OCC.

### To

Chief Executive Officers of National Banks, Department and Division Heads, Examining Personnel and Other Interested Parties

### Summary

Significant clarifications or modifications are discussed below.

#### Subpart E (OREO):

The OCC significantly modified the existing regulation. National banks will now be able to negotiate non-coterminous subleases of former banking premises, including extensions, subject to safety and soundness considerations. While the disposal requirement of 12 U.S.C. 29 remains unchanged, the disposal period will be suspended (tolled) while the sublease is in effect, if a national bank enters into a non-coterminous sublease. This modification provides national banks with increased opportunities to effectively manage the disposal of former banking premises arising from industry consolidation and technological changes.

#### Subpart A (General): & Subpart B (ARMs):

The OCC reaffirmed it will continue to apply traditional principles of Federal preemption when determining whether a State law affecting real estate lending is preempted. Several sections were clarified, reorganized, and deleted, when deemed unnecessary.

For further information, contact Bank Activities and Structure Division, (202) 649-6994; Compliance Policy (202) 649-5470; or Legislative and Regulatory Activities, (202) 649-5490.

Jimmy F. Barton  
Chief National Bank Examiner

### Related Links

- [Fed. Reg. Vol. 61, No.55, pg. 11294, 4/20/96](#)