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DEPARTMENT OF THE TREASURY

Office of the Comptroller of the Currency

12 CFR Part 7

[Docket No. OCC-2020-0020]

RIN: 1557-AE94

Director, Shareholder, and Member Meetings: Technical Correction

AGENCY: Office of the Comptroller of the Currency, Treasury (OCC).

ACTION: Correcting amendment

SUMMARY: On May 28, 2020, the Office of the Comptroller of the Currency (OCC) published in the **Federal Register** an interim final rule to revise its regulations on activities and operations of national banks and corporate activities of Federal savings associations to provide that these institutions may permit telephonic and electronic participation at all board of directors, shareholder, and as applicable, member, meetings. This correcting amendment makes a correction to those interim regulations.

DATES: The effective date is [INSERT DATE OF PUBLICATION IN FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Heidi M. Thomas, Special Counsel, Chief Counsel's Office, (202) 649-5490, for persons who are deaf or hearing impaired, TTY, (202) 649-5597, Office of the Comptroller of the Currency, 400 7th Street SW, Washington, DC 20219.

SUPPLEMENTARY INFORMATION:

I. Background and Description of Correcting Amendment

On May 28, 2020, the OCC published in the **Federal Register** an interim final rule to revise its regulations on activities and operations of national banks and corporate

activities of Federal savings associations to provide that these institutions may permit telephonic and electronic participation at all board of directors, shareholder, and as applicable, member, meetings. This correcting amendment makes a correction to those interim regulations. The interim final rule removed and reserved 12 CFR 7.1001.¹ This correcting amendment reinserts this section and removes and reserves 12 CFR 7.2001, as was intended by the OCC and described in the preamble to the interim final rule.

II. Administrative Law Matters

A. Administrative Procedure Act

The OCC is issuing this correcting amendment without prior notice and the opportunity for public comment and the delayed effective date ordinarily prescribed by the Administrative Procedure Act (APA).² Pursuant to section 553(b)(B) of the APA, general notice and the opportunity for public comment are not required with respect to a rulemaking when an “agency for good cause finds (and incorporates the finding and a brief statement of reasons therefor in the rules issued) that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest.”³

The OCC finds that public notice and comment are unnecessary because this correcting amendment makes a technical change to correct an erroneous removal in the interim final rule. Therefore, the OCC believes it has good cause to dispense with the APA prior notice and public comment process.

¹ 85 FR 31943.

² 5 U.S.C. 553.

³ 5 U.S.C. 553(b)(3)(A).

The APA also requires a 30-day delayed effective date, except for: (1) substantive rules which grant or recognize an exemption or relieve a restriction; (2) interpretative rules and statements of policy; or (3) as otherwise provided by the agency for good cause.⁴ As described above, the OCC believes it has good cause to issue this correcting amendment without a delayed effective date. Therefore, this correcting amendment is exempt from the APA’s delayed effective date requirement.⁵

B. Congressional Review Act

For purposes of the Congressional Review Act, the Office of Management and Budget (OMB) makes a determination as to whether a final rule constitutes a “major rule.”⁶ If a rule is deemed a “major rule” by the OMB, the Congressional Review Act generally provides that the rule may not take effect until at least 60 days following its publication.⁷

The Congressional Review Act defines a “major rule” as any rule that the Administrator of the Office of Information and Regulatory Affairs of the OMB finds has resulted in or is likely to result in: (1) an annual effect on the economy of \$100,000,000 or more; (2) a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions; or (3) significant adverse effects on competition, employment, investment, productivity, innovation, or on

⁴ 5 U.S.C. 553(d).

⁵ 5 U.S.C. 553(d)(1).

⁶ 5 U.S.C. 801 *et seq.*

⁷ 5 U.S.C. 801(a)(3).

the ability of United States-based enterprises to compete with foreign-based enterprises in domestic and export markets.⁸

The delayed effective date required by the Congressional Review Act does not apply to any rule for which an agency for good cause finds (and incorporates the finding and a brief statement of reasons therefor in the rule issued) that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest.⁹ For the same reasons set forth above, the OCC finds that it has good cause to adopt this correcting amendment without the delayed effective date generally prescribed under the Congressional Review Act.

As required by the Congressional Review Act, the OCC will submit the IFR and other appropriate reports to Congress and the Government Accountability Office for review.

C. Riegle Community Development and Regulatory Improvement Act of 1994

Pursuant to section 302(a) of the Riegle Community Development and Regulatory Improvement Act (RCDRIA),¹⁰ in determining the effective date and administrative compliance requirements for new regulations that impose additional reporting, disclosure, or other requirements on insured depository institutions (IDIs), each Federal banking agency must consider, consistent with the principle of safety and soundness and the public interest, any administrative burdens that such regulations would place on depository institutions, including small depository institutions, and customers of

⁸ 5 U.S.C. 804(2).

⁹ 5 U.S.C. 808.

¹⁰ 12 U.S.C. 4802(a).

depository institutions, as well as the benefits of such regulations. In addition, section 302(b) of RCDRIA requires new regulations and amendments to regulations that impose additional reporting, disclosures, or other new requirements on IDIs generally to take effect on the first day of a calendar quarter that begins on or after the date on which the regulations are published in final form, with certain exceptions, including for good cause.¹¹ For the reasons described above, the OCC finds good cause exists under section 302 of RCDRIA to publish this correcting amendment with an immediate effective date. As such, the IFR will be effective immediately.

D. Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA)¹² requires an agency to consider whether the rules it proposes will have a significant economic impact on a substantial number of small entities.¹³ The RFA applies only to rules for which an agency publishes a general notice of proposed rulemaking pursuant to 5 U.S.C. 553(b). As discussed previously, consistent with section 553(b)(B) of the APA, the OCC has determined for good cause that general notice and opportunity for public comment is unnecessary, and therefore the OCC is not issuing a notice of proposed rulemaking. Accordingly, the OCC has concluded that the RFA's requirements relating to initial and final regulatory flexibility analysis do not apply.

¹¹ 12 U.S.C. 4802.

¹² 5 U.S.C. 601 *et seq.*

¹³ Under regulations issued by the Small Business Administration, a small entity includes a depository institution, bank holding company, or savings and loan holding company with total assets of \$600 million or less and trust companies with total assets of \$41.5 million or less. *See* 13 CFR 121.201.

F. *Unfunded Mandates*

As a general matter, the Unfunded Mandates Act of 1995 (UMRA)¹⁴ requires the preparation of a budgetary impact statement before promulgating a rule that includes a Federal mandate that may result in the expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more in any one year. However, the UMRA does not apply to final rules for which a general notice of proposed rulemaking was not published.¹⁵ Therefore, because the OCC has found good cause to dispense with notice and comment for this correcting amendment, the OCC has not prepared an economic analysis of the rule under the UMRA.

List of Subjects in 12 CFR Part 7

Computer technology, Credit, Derivatives, Federal savings associations, Insurance, Investments, Metals, National banks, Reporting and recordkeeping requirements, Securities, Security bonds

For the reasons set out in the preamble, the OCC corrects 12 CFR part 7 by making the following correcting amendment:

PART 7—ACTIVITIES AND OPERATIONS

1. The authority citation for part 7 continues to read as follows:

Authority: 12 U.S.C. 1 *et seq.*, 25b, 29, 71, 71a, 92, 92a, 93, 93a, 95(b)(1), 371, 371d, 481, 484, 1463, 1464, 1465, 1818, 1828(m), 3102(b), and 5412(b)(2)(B).

2. Add § 7.1001 to read as follows:

§ 7.1001 National bank acting as general insurance agent

¹⁴ 2 U.S.C. 1531 *et seq.*

¹⁵ *See* 2 U.S.C. 1532(a).

Pursuant to 12 U.S.C. 92, a national bank may act as an agent for any fire, life, or other insurance company in any place the population of which does not exceed 5,000 inhabitants. This section is applicable to any office of a national bank when the office is located in a community having a population of less than 5,000, even though the principal office of such bank is located in a community whose population exceeds 5,000.

§ 7.2001 [Reserved]

3. Remove and reserve § 7.2001.

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