

Federal Reserve Bank of San Francisco
101 Market Street, San Francisco, California 94105

June 22, 2007

**BANKING SUPERVISION AND REGULATION:
REGULATION O FINAL RULE**

To State Member Banks, Bank
Holding Companies, U.S. Branches
and Agencies of Foreign Banks,
and Others Concerned,
in the Twelfth Federal Reserve District

Regulation O Final Rule

The Federal Reserve Board announced the approval of a final rule that would implement section 601 of the Financial Services Regulatory Relief Act of 2006, which eliminated several statutory reporting and disclosure requirements relating to insider lending by insured depository institutions. The Board proposed and supported eliminating these statutory reporting and disclosure provisions because the federal banking agencies have not found them particularly useful in monitoring insider lending or preventing insider abuse.

The final rule amends the Board's Regulation O (12 CFR part 215) to reflect the elimination of these reporting and disclosure requirements. Regulation O implements statutory restrictions on the ability of insured depository institutions to extend credit to their executive officers, directors, principal shareholders, and to related interests of such persons ("insiders"). The final rule does not alter the substantive restrictions on loans by insured depository institutions to their insiders or to insiders of their correspondent banks. The Federal Register Notice is attached.

Additional Information

All circulars and documents are available on the internet through the Federal Reserve Bank of San Francisco's website, at <http://www.frbsf.org/banking/letters>.

For additional information, please contact our Banking Supervision and Regulation Department at (415) 974-2210.

FEDERAL RESERVE BANK OF SAN FRANCISCO

Attachments: [Docket No. R-1271](#)