

Public Law 90-505

AN ACT

September 21, 1968
[S. 3133]

To extend for one year the authority to limit the rates of interest or dividends payable on time and savings deposits and accounts, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 7 of the Act of September 21, 1966 (Public Law 89-597; 80 Stat. 823) is amended to read:

“SEC. 7. Effective September 22, 1969—

“(1) so much of section 19(j) of the Federal Reserve Act (12 U.S.C. 371b) as precedes the third sentence thereof is amended to read as it would without the amendment made by section 2(c) of this Act;

“(2) the second and third sentences of section 18(g) of the Federal Deposit Insurance Act (12 U.S.C. 1828(g)) are amended to read as they would without the amendment made by section 3 of this Act; and

“(3) section 5B of the Federal Home Loan Bank Act (12 U.S.C. 1425b) is repealed.”

SEC. 2. (a) The first sentence of section 19(j) of the Federal Reserve Act (12 U.S.C. 371b) is amended by changing “limit by regulation” to read “prescribe rules governing the payment and advertisement of interest on deposits, including limitations on”.

(b) The second sentence of section 18(g) of the Federal Deposit Insurance Act (12 U.S.C. 1828(g)) is amended by changing “limit by regulation” to read “prescribe rules governing the payment and advertisement of interest on deposits, including limitations on”.

(c) The first sentence of section 5B of the Federal Home Loan Bank Act (12 U.S.C. 1425b) is amended by changing “limit by regulation” to read “prescribe rules governing the payment and advertisement of interest or dividends on deposits, shares, or withdrawable accounts, including limitations on”.

SEC. 3. (a) The first sentence of the eighth full paragraph of section 13 of the Federal Reserve Act (12 U.S.C. 347) is amended by inserting “, or secured by such obligations as are eligible for purchase under section 14(b) of this Act” immediately before the period at the end thereof.

(b) The first sentence of the last full paragraph of such section (12 U.S.C. 347c) is amended by inserting “or by any obligation which is a direct obligation of, or fully guaranteed as to principal and interest by, any agency of the United States” immediately before the period at the end thereof.

SEC. 4. Section 5A of the Federal Home Loan Bank Act is amended to read as follows:

“SEC. 5A. (a) The purpose of this section is to provide a means for creating meaningful and flexible liquidity in savings and loan associations and other members which can be increased when mortgage money is plentiful, maintained in easily liquidated instruments, and reduced to add to the flow of funds to the mortgage market in periods of credit stringency. More flexible liquidity will help support two main purposes of the Federal Home Loan Bank Act—sound mortgage credit and a more stable supply of such credit.

“(b) Any institution which is a member or which is an insured institution as defined in section 401(a) of the National Housing Act shall maintain the aggregate amount of its assets of the following types at not less than such amount as, in the opinion of the Board, is appropriate: (1) cash, (2) to such extent as the Board may approve

Interest and dividends. Controls, extension. 81 Stat. 226. 12 USC 461 note.

Repeal. 80 Stat. 824.

48 Stat. 180.

38 Stat. 264j
80 Stat. 825.
12 USC 355.

48 Stat. 7.

Liquidity requirements. 64 Stat. 257. 12 USC 1425a.

48 Stat. 1255.
12 USC 1724.

for the purposes of this section, time and savings deposits in Federal Home Loan Banks and commercial banks, and (3) to such extent as the Board may so approve, such obligations, including such special obligations, of the United States, a State, any territory or possession of the United States, or a political subdivision, agency, or instrumentality of any one or more of the foregoing, and bankers' acceptances, as the Board may approve. The requirement prescribed by the Board pursuant to this subsection (hereinafter in this section referred to as the 'liquidity requirement') may not be less than 4 per centum or more than 10 per centum of the obligation of the institution on withdrawable accounts and borrowings payable on demand or with unexpired maturities of one year or less or, in the case of institutions which are insurance companies, such other base or bases as the Board may determine to be comparable.

"(c) The amount of any institution's liquidity requirement, and any deficiency in compliance therewith, shall be calculated as the Board shall prescribe. The Board may prescribe different liquidity requirements, within the limitations specified herein, for different classes of institutions, and for such purposes the Board is authorized to classify institutions according to type, size, location, rate of withdrawals, or, without limitation by or on the foregoing, on such other basis or bases of differentiation as the Board may deem to be reasonably necessary or appropriate for effectuating the purposes of this section.

"(d) For any deficiency in compliance with the liquidity requirement, the Board may, in its discretion, assess a penalty consisting of the payment by the institution of such sum as may be assessed by the Board but not in excess of a rate equal to the highest rate on advances of one year or less, plus 2 per centum per annum, on the amount of the deficiency for the period with respect to which the deficiency existed. Any penalty assessed under this subsection against a member shall be paid to the Federal Home Loan Bank of which it is a member, and any such penalty assessed against an insured institution which is not a member shall be paid to the Federal Savings and Loan Insurance Corporation. The right to assess or to recover, or to assess and recover, any such penalty is not abated or affected by an institution's ceasing to be a member or ceasing to be insured. The Board may authorize or require that, at any time before collection thereof, and whether before or after the bringing of any action or other legal proceeding, the obtaining of any judgment or other recovery, or the issuance or levy of any execution or other legal process therefor, and with or without consideration, any such penalty or recovery be compromised, remitted, or mitigated in whole or part. The penalties authorized under this subsection are in addition to all remedies and sanctions otherwise available.

"(e) Whenever the Board deems it advisable in order to enable an institution to meet withdrawals or to pay obligations, the Board may, to such extent and subject to such conditions as it may prescribe, permit the institution to reduce its liquidity below the minimum amount. Whenever the Board determines that conditions of national emergency or unusual economic stress exist, the Board may suspend any part or all of the liquidity requirements hereunder for such period as the Board may prescribe. Any such suspension, unless sooner terminated by its terms or by the Board, shall terminate at the expiration of ninety days next after its commencement, but nothing in this sentence prevents the Board from again exercising, before, at, or after any such termination, the authority conferred by this subsection.

"(f) The Board is authorized to issue such rules and regulations, including definitions of terms used in this section, to make such examinations, and to conduct such investigations as it deems necessary or appropriate to effectuate the purposes of this section. The reasonable cost of any such examination or investigation, as determined by the

Amount.

Classification.

Penalty assessment.

Reduction.

Liquidity requirements, suspension in time of national emergency.

Rules and regulations; investigations by Board.

Board, shall be paid by the institution. In connection with any such examination or investigation the Board has the same functions and authority that the Federal Savings and Loan Insurance Corporation has under subsection (m) of section 407 of the National Housing Act, and for purposes of this subsection the provisions of said subsection (m), including the next to last sentence but not including the last sentence, and the provisions of the first sentence of subsection (n) of that section are applicable in the same manner and to the same extent that they would be applicable if all references therein to the Corporation were also references to the Board and all references therein to that section or any part thereof were also references to this section."

80 Stat. 1044.
12 USC 1730.

48 Stat. 132;
79 Stat. 507.
12 USC 1464.

SEC. 5. Section 5(c) of the Home Owners' Loan Act of 1933 is amended by inserting immediately before the last paragraph thereof the following new paragraph:

"Any such association may invest in any investment which, at the time of the making of the investment, is an asset eligible for inclusion toward the satisfaction of any liquidity requirement imposed on the association pursuant to section 5A of the Federal Home Loan Bank Act, but only to the extent that the investment is permitted to be so included under regulations issued by the Board pursuant to that section, or is otherwise authorized."

Ante, p. 856.

Additional pre-
miums.
75 Stat. 483.

SEC. 6. (a) Section 404(d) of the National Housing Act (12 U.S.C. 1727(d)) is amended to read as follows:

"(d) (1) Except as otherwise provided in this section, each insured institution shall pay to the Corporation, with respect to any calendar year in which it has a net account increase (as defined in paragraph (2) of this subsection), at such time and in such manner as the Corporation shall by regulations or otherwise prescribe, an additional premium (referred to in this subsection as the 'additional premium') in the nature of a prepayment with respect to future premiums of the institution under subsection (b) of this section. Any additional premium, when paid, shall be credited to the secondary reserve.

"Net account
increase."

"(2) The 'net account increase', if any, for any insured institution with respect to any calendar year is equal to the amount, if any, by which the total of all accounts of its insured members at the end of that year exceeds the largest of the following:

"(A) the total of all accounts of its insured members at the close of the most recent day, if any, after 1965 on which it became an insured institution.

"(B) the total of all accounts of its insured members at the close of the year in which it most recently became an insured institution, or at the close of 1966, whichever is later.

"(C) the largest total of all accounts of its insured members at the close of any year after the most recent year referred to in subparagraph (B).

"(3) The additional premium, if any, for any institution with respect to any calendar year shall be equal to 2 per centum of its net account increase, computed in accordance with paragraph (2) of this subsection, less an amount equal to any requirement, as of the end of that year, for the purchase of Federal Home Loan Bank stock in accordance with section 6(c) of the Federal Home Loan Bank Act and without regard to any net increase during that year in its holdings of such stock, except that the additional premium for any institution for the first calendar year following the calendar year in which it becomes an insured institution shall not be less than 1 per centum of its net account increase for the year in which it becomes an insured institution. The Federal Home Loan Bank Board shall by regulations or otherwise provide for the furnishing to the Corporation of all necessary information with respect to Federal Home Loan Bank stock.

75 Stat. 482.
12 USC 1426.

“(4) The Corporation may provide, by regulation or otherwise, for the adjustment of payments made or to be made under this subsection and subsections (b) and (c) of this section in cases of merger or consolidation, transfer of bulk assets or assumption of liabilities, and similar transactions, as defined by the Corporation for the purposes of this paragraph.”

Merger, etc.,
adjustment of pay-
ments.

(b) The amendment made by subsection (a) of this section shall be effective only with respect to additional premiums due with respect to calendar years beginning after 1968.

Effective date.

Approved September 21, 1968.

Public Law 90-506

AN ACT

September 21, 1968
[H. R. 16211]

To provide for the disposition of funds appropriated to pay a judgment in favor of the Creek Nation of Indians in Indian Claims Commission docket numbered 276, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of the Interior shall prepare a roll of the Creek Indians who meet the following requirements: (1) they were born on or prior to and living on the date of this Act, and (2) their names or the names of lineal ancestors through whom eligibility is claimed appear on either the 1857 or 1859 payment roll prepared pursuant to Article VI of the Treaty of August 7, 1856 (11 Stat. 699), or on the Final Roll of Creeks by Blood closed as of March 4, 1907, pursuant to statute.

Indians, Creek
Nation.
Judgment funds,
disposition.

(b) Applications for enrollment shall be filed with the Area Director, Bureau of Indian Affairs, Muskogee, Oklahoma, in the manner, within the time limit, and on the form prescribed for that purpose. The determination of the Secretary of the eligibility for enrollment of an applicant shall be final.

Eligibility.

SEC. 2. All costs incident to carrying out the provisions of this Act shall be paid by appropriate withdrawals from the judgment funds referred to in this section. After deducting attorney fees and all other costs, the remainder of the funds, including interest, to the credit of the Creek Nation appropriated by the Act of October 27, 1966 (80 Stat. 1057), shall be distributed in equal shares to those persons whose names appear on the roll prepared in accordance with section 1 of this Act. The funds so distributed shall not be subject to Federal or State income taxes.

Equal shares.

SEC. 3. The Secretary shall distribute a share payable to a living enrollee directly to such enrollee or in such manner as is deemed by the Secretary to be in the enrollee's best interest and the per capita share of a deceased enrollee shall be paid to his heirs or legatees upon proof of death and inheritance satisfactory to the Secretary, whose findings upon such proof shall be final and conclusive. Sums payable to enrollees or their heirs or legatees who are less than twenty-one years of age or who are under legal disability shall be paid to the persons whom the Secretary of the Interior determines will best protect their interests.

Heirs of de-
ceased enrollees.

SEC. 4. The Secretary of the Interior is authorized to prescribe rules and regulations to carry out the provisions of this Act, including an appropriate deadline for filing applications for enrollment.

Filing deadline,
etc.

Approved September 21, 1968.