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APPROVED
DEC 26 1974

ACTION

THE WHITE HOUSE

Last Day: December 27

WASHINGTON

December 23, 1974

*Posted in
Colorado
12/26
Jo Archives
12/30*

MEMORANDUM FOR THE PRESIDENT

FROM: KEN COLE

SUBJECT: Enrolled Resolution S.J. Res. 263
Depository Insurance and Minting of Coins

Attached for your consideration is S.J. Res. 263, sponsored by Senator Sparkman, which:

- Corrects certain statutory inconsistencies with respect to the insurance of public deposits;
- authorizes the Federal National Mortgage Association to purchase mortgages made to private nonprofit corporations;
- increases the authorized number of public interest directors of Federal Home Loan Banks;
- authorizes an additional year for minting of Bicentennial coins; and
- provides for the continued duration and expanded membership of the Federal Savings and Loan Advisory Council.

OMB recommends approval and provides you with additional background information in its enrolled bill report (Tab A).

Max Friedersdorf and Phil Areeda both recommend approval.

RECOMMENDATION

That you sign S.J. Res. 263 (Tab B)



APPROVED
DEC 26 1974

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

DEC 20 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Resolution S.J. Res. 263 - Depository
insurance and minting of coins
Sponsor - Sen. Sparkman (D) Alabama

Last Day for Action

December 27, 1974 - Friday

Purpose

Corrects certain statutory inconsistencies with respect to the insurance of public deposits; authorizes the Federal National Mortgage Association to purchase mortgages made to private nonprofit corporations; increases the authorized number of public interest directors of Federal Home Loan Banks; authorizes an additional year for minting of Bicentennial coins; and provides for the continued duration and expanded membership of the Federal Savings and Loan Advisory Council.

Agency Recommendations

Office of Management and Budget	Approval
Federal Home Loan Bank Board	Approval (Sections 1, 2 and 6)
Department of the Treasury	Approval (Sections 4 and 5)
Board of Governors of the Federal Reserve System	No objection (Informally)
Federal Deposit Insurance Corporation	No objection
Department of Housing and Urban Development	No objection (Informally)



Discussion

The enrolled joint resolution contains essentially five provisions, three of which were requested by the Federal Home Loan Bank Board; one of which was requested by the Treasury Department; and one which was neither requested nor opposed by any executive agency.

Provisions Requested by the Federal Home Loan Bank Board

Correction of inconsistencies regarding insurance of public accounts (Section 1) -- Public Law 93-495 (H.R. 11221) authorized deposit insurance for public units to be increased from \$20,000 to \$100,000 per account. However, Guam and its political subdivisions were inadvertently excluded in the definitional section relating to the geographical areas in which the Federal Savings and Loan Insurance Corporation (FSLIC) could insure public accounts in savings and loan associations. In contrast, the same legislation extended the new \$100,000 limit to public unit accounts of Guam deposited in banks insured by the Federal Deposit Insurance Corporation (FDIC).

S.J. Res. 263 would resolve this unequal treatment between banks and savings and loan associations by extending the \$100,000 insurance limit to public funds of Guam deposited in FSLIC-insured institutions.

As a second inconsistency of Public Law 93-495, the FDIC was specifically authorized to define the terms used in the new provision relating to public funds, while the FSLIC was not so authorized.

S.J. Res. 263 would give the FSLIC that definitional authority.

Increased number of Federal Home Loan Bank directors (Section 3) -- This section would increase the authorized number of members of each Federal Home Loan Bank's board of directors from 12 to 14, in order for the Federal Home Loan Bank Board (FHLBB) to appoint six public interest directors instead of four.

The intended effect of this provision is to make the Federal Home Loan Banks' boards of directors representative of a broader range of non-thrift industry views. The change would put the FHLBB system on a par with the Federal Reserve System, in the sense that a majority of the directors of each Federal Reserve Bank is selected from outside the banking industry.

Section 3 would also permit a Federal Home Loan Bank having jurisdiction over five or more States to have appointive directors up to three-fourths (instead of one-half, as at present) of the number of elective directors, if the FHLBB so authorizes by regulation.



Continued duration and increased membership of the Federal Savings and Loan Advisory Council (Section 6) -- The enrolled joint resolution would assure the continued duration of the Federal Savings and Loan Advisory Council (FSLAC) beyond January 6, 1975 by amending section 8a of the Federal Home Loan Bank Act, which created the FSLAC but did not specify its duration.

Section 14(a) of the Federal Advisory Committee Act provides that advisory committees established by statute prior to the effective date of the Act (such as the FSLAC) shall terminate on January 6, 1975, unless their continuation is otherwise provided for by law. Section 6 of the enrolled joint resolution would remove any doubt as to the FSLAC's continued existence beyond next January 6 in the absence of additional legislation. It would provide for the FSLAC to continue in existence as long as the FHLBB biannually determines it to be in the public interest, subject to consultation with the Director of OMB.

The Committee Management Secretariat indicated no objection to continuing the FSLAC in this manner.

Section 6 would also increase the number of public interest representatives comprising the FSLAC's membership, from six to twelve. The other twelve members would continue to be elected by the Federal Home Loan Banks, as at present.

Provision Requested by the Treasury Department

Extension of period for minting Bicentennial coins (Sections 4 and 5) -- Public Law 93-127 provides that all dollar, half-dollar, and quarter-dollar coins minted for issuance on or after July 4, 1975, shall bear a design to be emblematic of the U.S. Bicentennial. It further requires that the coins in these three denominations issued between July 4, 1975 and January 1, 1977 bear the inscription "1776-1976" instead of the regular coinage date. Finally, the Act requires the Secretary of the Treasury to mint prior to July 4, 1975, for issuance on and after that date, 45 million silver-clad alloy coins commemorating the U.S. Bicentennial.

An unexpected surge in coinage demand throughout this country during the past year has made it impossible for the Mint to strike the number of Bicentennial coins within the time allotted in Public Law 93-127.

S.J. Res. 263 would resolve this problem by:

- granting the Secretary of the Treasury stand-by authority to continue until December 31, 1975, minting for issuance dollars, half-dollars, and quarter-dollars bearing the current design and regular coinage date, along with the Bicentennial coins of those denominations; and
- extending the statutory deadline of July 4, 1975 to July 4, 1976 for minting the 45 million silver-clad coins, leaving the time frame for their issuance to the discretion of the Secretary of the Treasury.

Provision not Opposed by the Administration

Expanding FNMA authority to purchase mortgages (Section 2) --
Under the medical facilities construction and modernization amendments, HEW is authorized to make loans to public agencies and loan guarantees to private agencies for modernization or construction of hospitals. The Federal National Mortgage Association (FNMA) is authorized to purchase the mortgages covering loans made to public agencies, but not to purchase the mortgages made to private nonprofit agencies.

Section 2 would authorize the FNMA to purchase mortgages made to private nonprofit corporations.

Michael H. Pennell

Assistant Director for
Legislative Reference

Enclosures



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

DEC 20 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Resolution S.J. Res. 263 - Depository
insurance and minting of coins
Sponsor - Sen. Sparkman (D) Alabama

Last Day for Action

December 27, 1974 - Friday

Purpose

Corrects certain statutory inconsistencies with respect to the insurance of public deposits; authorizes the Federal National Mortgage Association to purchase mortgages made to private nonprofit corporations; increases the authorized number of public interest directors of Federal Home Loan Banks; authorizes an additional year for minting of Bicentennial coins; and provides for the continued duration and expanded membership of the Federal Savings and Loan Advisory Council.

Agency Recommendations

Office of Management and Budget	Approval
Federal Home Loan Bank Board	Approval (Sections 1, 2 and 6)
Department of the Treasury	Approval (Sections 4 and 5)
Board of Governors of the Federal Reserve System	No objection (Informally)
Federal Deposit Insurance Corporation	No objection
Department of Housing and Urban Development	No objection (Informally)

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 809

Date: December 20, 1974

Time: 9:30 p.m.

FOR ACTION: Tod Hullin *no objection*
 Geoff Shepard *ok*
 Phil Areeda *ok*
 Max Friedersdorf *ok*

cc (for information): Warren Hendriks
 Jerry Jones

FROM THE STAFF SECRETARY

DUE: Date: Monday, December 23

Time: noon

SUBJECT:

Enrolled Resolution S.J. RES. 263
 Depository Insurance and Mining of Coins

ACTION REQUESTED:

 For Necessary Action For Your Recommendations Prepare Agenda and Brief Draft Reply For Your Comments Draft Remarks

REMARKS:

Pleasereturn to Judy Johnston, Ground Floor West Wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

K. R. COLE, JR.
 For the President



OFFICE OF
GENERAL COUNSEL

FEDERAL HOME LOAN BANK BOARD

WASHINGTON, D. C. 20552

320 FIRST STREET N.W.

FEDERAL HOME LOAN BANK
SYSTEM
FEDERAL HOME LOAN
MORTGAGE CORPORATION
FEDERAL SAVINGS & LOAN
INSURANCE CORPORATION

December 19, 1974

Mr. Wilfred H. Rommel
Assistant Director for
Legislative Reference
Office of Management and Budget
Executive Office of the President
Washington, D.C. 20503

Attention: Ms. Mohr

Dear Mr. Rommel:

This is in response to your Enrolled Bill Request dated December 16, 1974 requesting the views and recommendations of the Bank Board on Senate Joint Resolution 263.

Section 3 of S.J. Res. 263 relates to the authority of the Federal National Mortgage Association to assist non-profit hospital construction, and sections 4 and 5 relate to certain coinage authority of the Secretary of the Treasury. As these are beyond the expertise of the Bank Board, we make no comment thereon.

Sections 1, 2 and 6 contain, respectively, certain technical amendments to subsection 405(d) of the National Housing Act, which was added by P.L. 93-495 (H.R. 11221), an increase in the number of appointed members on the boards of directors of the Federal Home Loan Banks, and, finally, statutory continuation of the life of the Federal Savings and Loan Advisory Council. The Bank Board initiated these legislative proposals and wholeheartedly supports their enactment.

Sincerely,

A handwritten signature in cursive script that reads "Charles E. Allen".

Charles E. Allen
General Counsel



THE GENERAL COUNSEL OF THE TREASURY
WASHINGTON, D.C. 20220

DEC 18 1974

Director, Office of Management and Budget
Executive Office of the President
Washington, D. C. 20503

Attention: Assistant Director for Legislative
Reference

Sir:


Your office has requested the views of this Department on the enrolled enactment of S.J. Res. 263, "Amending the National Housing Act to clarify the authority of the Federal Savings and Loan Insurance Corporation with respect to the insurance of public deposits, and for other purposes."

Only sections 4 and 5 of the enrolled enactment are of concern to this Department. These sections would amend Public Law 93-127 to (1) grant to the Secretary of the Treasury stand-by authority to continue until December 31, 1975, minting for issuance dollars, half-dollars, and quarter-dollars bearing the current design and regular coinage date, along with the Bicentennial coins of these three denominations; and (2) extend from July 4, 1975 to July 4, 1976, the period during which the Mint must produce 45 million Bicentennial silver-clad coins for issuance on and after July 4, 1975.

Sections 4 and 5 incorporate the provisions of a draft bill prepared in this Department and forwarded to the Congress after clearance by your office.

The Department recommends that the enrolled enactment be approved by the President insofar as sections 4 and 5 are concerned.

Sincerely yours,



General Counsel



FEDERAL DEPOSIT INSURANCE CORPORATION, Washington, D. C. 20429

December 18, 1974

Honorable Roy L. Ash
Director
Office of Management and Budget
Executive Office of the President
Washington, D. C. 20503

Dear Mr. Ash:

By enrolled bill request dated December 17, 1974, your Office requested our views and recommendation on S.J. Res. 263, 93d Congress, an enrolled bill "Amending the National Housing Act to clarify the authority of the Federal Savings and Loan Insurance Corporation with respect to the insurance of public deposits, and for other purposes."

The enrolled bill would permit the Federal Savings and Loan Insurance Corporation to define the terms used in the provision of law recently enacted (Pub. L. 93-495) increasing the insurance limit for public funds to \$100,000 and would amend that provision to make the increased insurance limit for public funds applicable to "any territory or possession of the United States", which would include American Samoa and Guam. Among other technical changes, the enrolled bill would also increase from 12 to 14 the number of directors authorized for Federal Home Loan banks and from four to six the number thereof to be appointed by the Federal Home Loan Bank Board, as well as permitting a Federal Home Loan bank having jurisdiction over five or more States to have appointive directors up to three-fourths (instead of one-half) of the number of elective directors, if so authorized by the FHLBB by regulation. In addition, the bill would extend the time limit for minting bicentennial coins and would provide for the continued existence of the Federal Savings and Loan Advisory Council for as long as determined to be in the public interest by the FHLBB, after consultation with your Office and timely notice in the Federal Register, while increasing from six to twelve the number of Council members to be appointed by the FHLBB.

The FDIC has no direct or substantial interest in any of the largely technical amendments contained in S.J. Res. 263 and would have no objection to its approval by the President.

Sincerely,

A handwritten signature in cursive script that reads "Frank Wille".

Frank Wille
Chairman

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 809

Date: December 20, 1974

Time: 9:30 p.m.

FOR ACTION: Tod Hullin ✓
Geoff Shepard
Phil Areeda
Max Friedersdorf

cc (for information): Warren Hendriks
Jerry Jones

FROM THE STAFF SECRETARY

DUE: Date: Monday, December 23

Time: noon

SUBJECT:

Enrolled Resolution S.J. RES. 263
Depository Insurance and Minting of Coins

ACTION REQUESTED:

- For Necessary Action
- For Your Recommendations
- Prepare Agenda and Brief
- Draft Reply
- For Your Comments
- Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

no objection
JH

12.21.74
2PM

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Warren K. Hendriks
For the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 809

Date: December 20, 1974

Time: 9:30 p.m.

FOR ACTION: Tod Hullin
Geoff Shepard
Phil Areeda ✓
Max Friedersdorf

cc (for information): Warren Hendriks
Jerry Jones

FROM THE STAFF SECRETARY

DUE: Date: Monday, December 23

Time: noon

SUBJECT:

Enrolled Resolution S.J. RES. 263
Depository Insurance and Minting of Coins

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

*W. Johnston
Phil Areeda
12/23*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please

Warren K. Hendriks
For the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 809

Date: December 20, 1974

Time: 9:30 p.m.

FOR ACTION: Tod Hullin
Geoff Shepard ✓
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Max Friedersdorf

cc (for information): Warren Hendriks
Jerry Jones

FROM THE STAFF SECRETARY

DUE: Date: Monday, December 23

Time: noon

SUBJECT:

Enrolled Resolution S.J. RES. 263
Depository Insurance and Minting of Coins

ACTION REQUESTED:

___ For Necessary Action

For Your Recommendations

___ Prepare Agenda and Brief

___ Draft Reply

For Your Comments

___ Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing


Ok. H.L. [Signature] for G.C.S.

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Warren K. Hendriks
For the President

THE WHITE HOUSE
WASHINGTON
December 23, 1974

MEMORANDUM FOR: WARREN HENDRIKS
FROM: MAX L. FRIEDERSDORF 
SUBJECT: Action Memorandum - Log No. 809
Enrolled Resolution S.J. Res. 263
Depository Insurance and Minting of Coin

The Office of Legislative Affairs concurs in the attached proposal and has no additional recommendations.

Attachment

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

DEC 20 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Resolution S.J. Res. 263 - Depository
insurance and minting of coins
Sponsor - Sen. Sparkman (D) Alabama

Last Day for Action

December 27, 1974 - Friday

Purpose

Corrects certain statutory inconsistencies with respect to the insurance of public deposits; authorizes the Federal National Mortgage Association to purchase mortgages made to private nonprofit corporations; increases the authorized number of public interest directors of Federal Home Loan Banks; authorizes an additional year for minting of Bicentennial coins; and provides for the continued duration and expanded membership of the Federal Savings and Loan Advisory Council.

Agency Recommendations

Office of Management and Budget	Approval
✓ Federal Home Loan Bank Board	Approval (Sections 1, 2 and 6)
✓ Department of the Treasury	Approval (Sections 4 and 5)
Board of Governors of the Federal Reserve System	No objection (Informally)
Federal Deposit Insurance Corporation	No objection
Department of Housing and Urban Development	No objection (Informally)

Discussion

The enrolled joint resolution contains essentially five provisions, three of which were requested by the Federal Home Loan Bank Board; one of which was requested by the Treasury Department; and one which was neither requested nor opposed by any executive agency.

Provisions Requested by the Federal Home Loan Bank Board

Correction of inconsistencies regarding insurance of public accounts (Section 1) -- Public Law 93-495 (H.R. 11221) authorized deposit insurance for public units to be increased from \$20,000 to \$100,000 per account. However, Guam and its political subdivisions were inadvertently excluded in the definitional section relating to the geographical areas in which the Federal Savings and Loan Insurance Corporation (FSLIC) could insure public accounts in savings and loan associations. In contrast, the same legislation extended the new \$100,000 limit to public unit accounts of Guam deposited in banks insured by the Federal Deposit Insurance Corporation (FDIC).

S.J. Res. 263 would resolve this unequal treatment between banks and savings and loan associations by extending the \$100,000 insurance limit to public funds of Guam deposited in FSLIC-insured institutions.

As a second inconsistency of Public Law 93-495, the FDIC was specifically authorized to define the terms used in the new provision relating to public funds, while the FSLIC was not so authorized.

S.J. Res. 263 would give the FSLIC that definitional authority.

Increased number of Federal Home Loan Bank directors (Section 3) -- This section would increase the authorized number of members of each Federal Home Loan Bank's board of directors from 12 to 14, in order for the Federal Home Loan Bank Board (FHLBB) to appoint six public interest directors instead of four.

The intended effect of this provision is to make the Federal Home Loan Banks' boards of directors representative of a broader range of non-thrift industry views. The change would put the FHLBB system on a par with the Federal Reserve System, in the sense that a majority of the directors of each Federal Reserve Bank is selected from outside the banking industry.

Section 3 would also permit a Federal Home Loan Bank having jurisdiction over five or more States to have appointive directors up to three-fourths (instead of one-half, as at present) of the number of elective directors, if the FHLBB so authorizes by regulation.

Continued duration and increased membership of the Federal Savings and Loan Advisory Council (Section 6) -- The enrolled joint resolution would assure the continued duration of the Federal Savings and Loan Advisory Council (FSLAC) beyond January 6, 1975 by amending section 8a of the Federal Home Loan Bank Act, which created the FSLAC but did not specify its duration.

Section 14(a) of the Federal Advisory Committee Act provides that advisory committees established by statute prior to the effective date of the Act (such as the FSLAC) shall terminate on January 6, 1975, unless their continuation is otherwise provided for by law. Section 6 of the enrolled joint resolution would remove any doubt as to the FSLAC's continued existence beyond next January 6 in the absence of additional legislation. It would provide for the FSLAC to continue in existence as long as the FHLBB biannually determines it to be in the public interest, subject to consultation with the Director of OMB.

The Committee Management Secretariat indicated no objection to continuing the FSLAC in this manner.

Section 6 would also increase the number of public interest representatives comprising the FSLAC's membership, from six to twelve. The other twelve members would continue to be elected by the Federal Home Loan Banks, as at present.

Provision Requested by the Treasury Department

Extension of period for minting Bicentennial coins (Sections 4 and 5) -- Public Law 93-127 provides that all dollar, half-dollar, and quarter-dollar coins minted for issuance on or after July 4, 1975, shall bear a design to be emblematic of the U.S. Bicentennial. It further requires that the coins in these three denominations issued between July 4, 1975 and January 1, 1977 bear the inscription "1776-1976" instead of the regular coinage date. Finally, the Act requires the Secretary of the Treasury to mint prior to July 4, 1975, for issuance on and after that date, 45 million silver-clad alloy coins commemorating the U.S. Bicentennial.

An unexpected surge in coinage demand throughout this country during the past year has made it impossible for the Mint to strike the number of Bicentennial coins within the time allotted in Public Law 93-127.

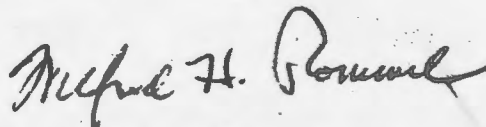
S.J. Res. 263 would resolve this problem by:

- granting the Secretary of the Treasury stand-by authority to continue until December 31, 1975, minting for issuance dollars, half-dollars, and quarter-dollars bearing the current design and regular coinage date, along with the Bicentennial coins of those denominations; and
- extending the statutory deadline of July 4, 1975 to July 4, 1976 for minting the 45 million silver-clad coins, leaving the time frame for their issuance to the discretion of the Secretary of the Treasury.

Provision not Opposed by the Administration

Expanding FNMA authority to purchase mortgages (Section 2) --
Under the medical facilities construction and modernization amendments, HEW is authorized to make loans to public agencies and loan guarantees to private agencies for modernization or construction of hospitals. The Federal National Mortgage Association (FNMA) is authorized to purchase the mortgages covering loans made to public agencies, but not to purchase the mortgages made to private nonprofit agencies.

Section 2 would authorize the FNMA to purchase mortgages made to private nonprofit corporations.



Assistant Director for
Legislative Reference

Enclosures



FEDERAL HOME LOAN BANK BOARD

WASHINGTON, D. C. 20552

320 FIRST STREET N.W.

FEDERAL HOME LOAN BANK
SYSTEM
FEDERAL HOME LOAN
MORTGAGE CORPORATION
FEDERAL SAVINGS & LOAN
INSURANCE CORPORATION

OFFICE OF
GENERAL COUNSEL

December 19, 1974

Mr. Wilfred H. Rommel
Assistant Director for
Legislative Reference
Office of Management and Budget
Executive Office of the President
Washington, D.C. 20503

Attention: Ms. Mohr

Dear Mr. Rommel:

This is in response to your Enrolled Bill Request dated December 16, 1974 requesting the views and recommendations of the Bank Board on Senate Joint Resolution 263.

Section 3 of S.J. Res. 263 relates to the authority of the Federal National Mortgage Association to assist non-profit hospital construction, and sections 4 and 5 relate to certain coinage authority of the Secretary of the Treasury. As these are beyond the expertise of the Bank Board, we make no comment thereon.

Sections 1, 2 and 6 contain, respectively, certain technical amendments to subsection 405(d) of the National Housing Act, which was added by P.L. 93-495 (H.R. 11221), an increase in the number of appointed members on the boards of directors of the Federal Home Loan Banks, and, finally, statutory continuation of the life of the Federal Savings and Loan Advisory Council. The Bank Board initiated these legislative proposals and wholeheartedly supports their enactment.

Sincerely,

Charles E. Allen
General Counsel



THE GENERAL COUNSEL OF THE TREASURY
WASHINGTON, D.C. 20220

DEC 18 1974

Director, Office of Management and Budget
Executive Office of the President
Washington, D. C. 20503

Attention: Assistant Director for Legislative
Reference

Sir:

Your office has requested the views of this Department on the enrolled enactment of S.J. Res. 263, "Amending the National Housing Act to clarify the authority of the Federal Savings and Loan Insurance Corporation with respect to the insurance of public deposits, and for other purposes."

Only sections 4 and 5 of the enrolled enactment are of concern to this Department. These sections would amend Public Law 93-127 to (1) grant to the Secretary of the Treasury stand-by authority to continue until December 31, 1975, minting for issuance dollars, half-dollars, and quarter-dollars bearing the current design and regular coinage date, along with the Bicentennial coins of these three denominations; and (2) extend from July 4, 1975 to July 4, 1976, the period during which the Mint must produce 45 million Bicentennial silver-clad coins for issuance on and after July 4, 1975.

Sections 4 and 5 incorporate the provisions of a draft bill prepared in this Department and forwarded to the Congress after clearance by your office.

The Department recommends that the enrolled enactment be approved by the President insofar as sections 4 and 5 are concerned.

Sincerely yours,

General Counsel



FEDERAL DEPOSIT INSURANCE CORPORATION, Washington, D. C. 20429

OFFICE OF THE CHAIRMAN

December 18, 1974

Honorable Roy L. Ash
Director
Office of Management and Budget
Executive Office of the President
Washington, D. C. 20503

Dear Mr. Ash:

By enrolled bill request dated December 17, 1974, your Office requested our views and recommendation on S.J. Res. 263, 93d Congress, an enrolled bill "Amending the National Housing Act to clarify the authority of the Federal Savings and Loan Insurance Corporation with respect to the insurance of public deposits, and for other purposes."

The enrolled bill would permit the Federal Savings and Loan Insurance Corporation to define the terms used in the provision of law recently enacted (Pub. L. 93-495) increasing the insurance limit for public funds to \$100,000 and would amend that provision to make the increased insurance limit for public funds applicable to "any territory or possession of the United States", which would include American Samoa and Guam. Among other technical changes, the enrolled bill would also increase from 12 to 14 the number of directors authorized for Federal Home Loan banks and from four to six the number thereof to be appointed by the Federal Home Loan Bank Board, as well as permitting a Federal Home Loan bank having jurisdiction over five or more States to have appointive directors up to three-fourths (instead of one-half) of the number of elective directors, if so authorized by the FHLBB by regulation. In addition, the bill would extend the time limit for minting bicentennial coins and would provide for the continued existence of the Federal Savings and Loan Advisory Council for as long as determined to be in the public interest by the FHLBB, after consultation with your Office and timely notice in the Federal Register, while increasing from six to twelve the number of Council members to be appointed by the FHLBB.

The FDIC has no direct or substantial interest in any of the largely technical amendments contained in S.J. Res. 263 and would have no objection to its approval by the President.

Sincerely,

Frank Wille

Frank Wille
Chairman



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET

DATE: 12-23-74

TO: Bob Linder

FROM: Wilf Rommel

Attached is the Fed Reserve views letter on SJRes 263 for inclusion in the enrolled bill file.



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 17, 1974

Mr. William D. Skidmore
Chief, Business-General
Government Branch
Office of Management and Budget
New Executive Office Building - Room 7220
17th Street and Pennsylvania Avenue, N. W.
Washington, D. C. 20503

Dear Mr. Skidmore:

This letter is in response to your request for the views of the Federal Reserve Board on Enrolled Bill S.J. Res. 263.

As you were advised by telephone this morning, the staff of the Federal Reserve Board has no objections or comments concerning this proposal.

Sincerely yours,

A handwritten signature in cursive script that reads "Theodore E. Allison".

Theodore E. Allison
Secretary of the Board

THE BOARD OF GOVERNORS
OF THE FEDERAL RESERVE SYSTEM

DEC 30 11:11

RECEIVED



THE GENERAL COUNSEL OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D. C. 20410

December 23, 1974

Mr. Wilfred H. Rommel
Assistant Director for
Legislative Reference
Office of Management and Budget
Washington, D. C. 20503

Attention: Ms. Mohr

Dear Mr. Rommel:

Subject: Senate Joint Resolution 263, 93d Congress
Enrolled Enactment

This is in response to your request for our views on the enrolled enactment of Senate Joint Resolution 263, an Act "Amending the National Housing Act to clarify the authority of the Federal Savings and Loan Insurance Corporation with respect to the insurance of public deposits, and for other purposes."

This legislation consists largely of technical amendments to existing law.

Section 1 would correct certain deficiencies in section 405 of the National Housing Act relating to the authority of the Federal Savings and Loan Insurance Corporation to insure public accounts in Federal savings and loan associations and other financial institutions. The FSLIC would be authorized to define terms relating to such insurance and to provide full insurance with respect to public accounts of a territory or possession of the United States (notably Guam) which are deposited in an insured institution in such territory or possession.

Section 2 would amend section 302(b)(1) of the National Housing Act so as to authorize the Federal National Mortgage Association and the Government National Mortgage Association to purchase, service, sell, or otherwise deal in loans which are made to nonprofit private agencies for the modernization or construction

of nonprofit private hospitals or other health facilities by non-Federal lenders and guaranteed by the Department of Health, Education, and Welfare under part B of title VI of the Public Health Service Act. That subsection currently limits FNMA and GNMA, with respect to hospital and health facility loans under HEW's title VI authority, to dealing in loans made by HEW to public agencies for the modernization or construction of public health centers or hospitals or other health facilities.

Section 3 would amend section 7(a) of the Federal Home Loan Bank Act to increase the prescribed membership of the board of directors of each Federal home loan bank from twelve to fourteen members; allow the Federal Home Loan Bank Board to appoint six (rather than the present four) of the members of each bank's board of directors; and alter the allowed ratio of elective to appointive members on each bank's board.

Sections 4 and 5 would amend Public Law 93-127, which relates to the minting of special coins to commemorate the approaching Bicentennial of the American Revolution, to authorize additional time for the minting of such coins.

Section 6 would amend section 8a of the Federal Home Loan Bank Act to authorize continuation of the Federal Savings and Loan Advisory Council.

This Department has no objection to the seemingly non-controversial provisions contained in sections 1, 3, 4, 5, and 6 of the measure, but would defer to the judgments of other interested agencies and instrumentalities, notably the Department of the Treasury and the Federal Home Loan Bank System, as to their relative merits.

As to section 2, we see no strong reason not to expand the FNMA/GNMA authority in the manner contemplated. However, we would note two points for your consideration. First, an increase in the dollar volume of FNMA/GNMA activities is obviously contemplated. Any such increase would heighten

the demands ultimately made by those institutions on the nation's capital markets. Second, the provision would expand authority which is basically unrelated to the prime purpose of FNMA/GNMA assistance, i.e., to assist housing. Nevertheless, we do not view the provision as being subject to strong objection because of the limited volume of activity likely to be involved.

Accordingly, we have no objection to the President approving the measure.

Sincerely,



Robert R. Elliott

CLARIFYING AMENDMENTS TO THE NATIONAL HOUSING ACT

DECEMBER 11, 1974.—Ordered to be printed

Mr. SPARKMAN, from the Committee on Banking, Housing and Urban Affairs, submitted the following

REPORT

[To accompany S.J. Res. 263]

The Committee on Banking, Housing and Urban Affairs, having considered the same, favorably reports a Committee Senate Joint Resolution, (S.J. Res. 263), amending the National Housing Act to clarify the authority of the Federal Savings and Loan Insurance Corporation with respect to the insurance of public deposits, and for other purposes, and recommends that the Senate joint resolution do pass.

PURPOSE OF THE RESOLUTION

TECHNICAL FSLIC AMENDMENTS

The Committee has been advised that Public Law 93-495 (H.R. 11221) approved October 28, 1974, contains two inconsistencies between the authority of the Federal Savings and Loan Corporation (FSLIC) and the Federal Deposit Insurance Corporation (FDIC) which were not intended when the measure was considered by the Congress. The inconsistencies are of technical nature. The Committee Resolution seeks to correct these inconsistencies.

The first inconsistency relates to the insurance of public funds deposits in Guam.

Section 101 (b) (3) of Public Law 93-495 added a new subsection (d) to section 405 of the National Housing Act providing with respect to insurance of accounts by the FSLIC that in the case of an officer, employee, or agent of specified public units, "the account of such insured member shall be insured in an amount not to exceed \$100,000 per account". In specifying the public units eligible for such insurance, the new subsection follows, up to a point, the pattern set in section 401 (b) of the National Housing Act (which defines a custodian of a public unit account as an "insured member") by referring to the United States, any State of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, and political subdivisions thereof. However, Guam is covered under the definitional section 401 (b) as a "territory," but the new subsection does not mention terri-

teritories or possessions of the United States. Thus the new amendment fails to extend this increased FSLIC insurance protection to deposits of public funds of territories or possessions.

In contrast, section 101(a)(3) of Public Law 93-495 added a new paragraph (2) to section 11(a) of the Federal Deposit Insurance Act establishing a similar \$100,000 insurance ceiling for public unit accounts in FDIC-insured banks. The new paragraph follows the pattern set in section 3(m) of the Federal Deposit Insurance Act (which defines a deposit of public funds as an "insured deposit"). Guam is included by name, rather than as a "territory," in section 3(m), and the new paragraph repeats the listing in that subsection.

Thus, by repeating the names of the governments listed in the definitional section of the Federal Deposit Insurance Act, but incompletely repeating the list of governments contained in the definitional section of the National Housing Act, Public Law 93-495 has created an unequal treatment of insured banks as compared to insured savings and loan associations which was not intended.

The second inconsistency relates to definitional authority of the FSLIC.

The last sentence of section 3(m) of the Federal Deposit Insurance Act provides:

For purposes of clarifying and defining the insurance coverage under this subsection and subsection (i) of section 7 of this title, the Corporation is authorized to define with such classifications and exceptions as it may prescribe, the terms used in those subsections, in subsection (p) of this section, and in subsection (a) and (i) of section 11 and the extent of insurance coverage resulting therefrom.

As noted above, the new paragraph added to the Federal Deposit Insurance Act relating to insurance of public unit accounts was inserted in section 11(a). Thus, under the quoted sentence, the FDIC is clearly authorized to define the terms used therein.

The last sentence of section 405(a) of the National Housing Act is similar to the language quoted above and provides:

For the purpose of clarifying and defining the insurance coverage under this subsection and subsection (b) of section 401, the Corporation is authorized to define, with such classifications and exceptions as it may prescribe, terms used in those subsections and in subsection (c) of section 401 and the extent of the insurance coverage resulting therefrom.

Instead of inserting language into an existing subsection covered by this definitional authority, Public Law 93-495 added a new subsection to section 405, and thus the FSLIC, unlike the FDIC, lacks explicit authority to define the terms used in the amendment. Again, this difference was not intended.

TECHNICAL FNMA AMENDMENT

The Committee is further advised that legislation is needed in order to correct a technical defect in the law relating to the authority of the Federal National Mortgage Association to assist non-profit hospital construction and modernization. In 1970, in order to assist both non-profit private agencies and public agencies in carrying out needed

modernization and construction of health facilities, the Congress passed the Medical Facilities Construction and Modernization Amendments. Among other things, that Act authorized direct HEW loans to public agencies and HEW loan-guarantees to private agencies for the modernization or construction of hospitals, facilities for long-term care, out-patient facilities, and rehabilitation facilities. In order to involve private financial participation in the program, the Act also amended FNMA's charter to provide express authority for FNMA to purchase HEW loans made pursuant to the Act. However, through apparent oversight in Conference, no reference was made to FNMA authority to purchase guaranteed loans authorized by the Act. This amendment would cure that defect by expressly authorizing FNMA purchases of HEW-guaranteed loans to private non-profit agencies under the Act and thus, insure that the purpose of the Medical Facilities Construction and Modernization Amendments are fulfilled.

PUBLIC INTEREST DIRECTORS

FEDERAL HOME LOAN BANKS

The resolution would also increase the basic authorized number of members of the board of directors of each Federal Home Loan Bank from 12 to 14 by authorizing the Federal Home Loan Bank Board to appoint six public interest directors instead of four. The amendment would change the ratio of director elected by the members of the particular Federal Home Loan Bank to directors appointed by the Federal Home Loan Bank Board from the present 8:4 to 8:6. The provisos in section 7 authorizing and directing the Board to expand further both elective and appointive membership in specified cases are amended to maintain the new ratio. Thus, the boards of directors may become representative of a broader range of non-thrift-industry views, with results expected to be beneficial to the provision of sound, economical home financing.

EXTENSION OF TIME TO STRIKE CERTAIN MEDALS

Sections 4 and 5 of the resolution was recommended by the Administration to help ease some of the coinage problems which may arise in the next few months.

The act of October 18, 1973, Public Law 93-127, requires that all dollar, half dollar, and quarter dollar coins minted for issuance on or after July 4, 1975, and until such time as the Secretary of the Treasury may determine shall bear a design to be emblematic of the Bicentennial of the United States. The act further provides that the coins in these three denominations issued between July 4, 1975 and January 1977, shall bear "1776-1976" in lieu of the regular date of coinage.

This resolution would grant to the Secretary of the Treasury stand-by authority to continue minting for issuance dollars, half dollars, and quarter dollars bearing the current design and date along with the new Bicentennial coins until December 31, 1975.

Public Law 93-127 also requires the Secretary to mint prior to July 4, 1975, 45 million silver clad coins commemorating our Bicentennial. This bill would extend this statutory deadline one year to July 4, 1976.

This legislation is necessitated by the unexpected surge in coinage demand throughout the nation during the past year. At the time Public Law 93-127 was enacted by Congress in October 1973 the Mint planned to start producing and stockpiling circulating Bicentennial coinage before the end of 1974 in sufficient quantities for release to the public beginning July 4, 1975. However, since the total demand for coinage has increased by about fifty percent during the past year, the manufacturing facilities of the Bureau of the Mint are being fully utilized for producing currently needed circulating coinage, particularly one cent pieces, thus leaving no excess capacity for the production of Bicentennial coins.

The Committee is assured by the Mint that the stand-by authority to mint coins of current design until December 31, 1975 and the one year extension of time for the minting of the 45 million silver clad coins will go a long way in enabling the Mint to continue to supply this nation with its needed coinage.

CONTINUATION OF FEDERAL SAVINGS AND LOAN ADVISORY COUNCIL

On September 25, the Committee reported a bill, S. 4004, to amend the Federal Home Loan Bank Act to provide for the continuation of the Federal Savings and Loan Advisory Council, a statutory advisory committee to the Federal Home Loan Bank Board. The bill was subsequently referred to the Senate Committee on Government Operations for their consideration. After consideration by that Committee, the bill was reported to the Senate on December 10 with an amendment. This resolution contains a provision for the continuation of the Advisory Council. The provision is the same as was reported by the Government Operations Committee.

The approach taken in the resolution is to continue the Federal Savings and Loan Advisory Council as long as the Federal Home Loan Bank Board determines, as a matter of formal record, that it is in the public interest to continue the Council. In addition, the Council shall be subject to all other provisions of the Federal Advisory Committee Act.

At the request of the Federal Home Loan Bank Board, the Committee has expanded the statutory membership of the Council from 18 to 24 members; 12 members are appointed by the boards of directors of the 12 district bank boards, one from each district. The balance of the membership is to be appointed from members of the public to represent the public interest. The Board has provided extensive documentation as to the need to continue this Council, as well as a statement of intention to appoint true public interest representatives, not merely more industry members. This material will be incorporated in the report.

The resolution was ordered reported by the Committee without objection. The Committee urges favorable consideration of the resolution by the Senate.

CORDON RULE

In the opinion of the committee, it is necessary to dispense with the requirements of subsection 4 of rule XXIX of the Standing Rules of the Senate in order to expedite the business of the Senate in connection with this report.



Ninety-third Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the twenty-first day of January,
one thousand nine hundred and seventy-four*

Joint Resolution

Amending the National Housing Act to clarify the authority of the Federal Savings and Loan Insurance Corporation with respect to the insurance of public deposits, and for other purposes.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section 405 of the National Housing Act (12 U.S.C. 1728) is amended—

(1) by inserting after “this subsection” in the second sentence of subsection (a) thereof a comma and the following: “subsection (d) of this section,”;

(2) by striking out “this subchapter” in subsection (d) and inserting in lieu thereof “this title”;

(3) by inserting immediately after “or of the Virgin Islands” in subsection (d) (1) (iv) a comma and the following: “or of any territory or possession of the United States”; and

(4) by striking out “or the Virgin Islands” in subsection (d) (1) (iv) and inserting in lieu thereof a comma and the following: “the Virgin Islands, or any such territory or possession”.

SEC. 2. The first sentence of section 302(b) (1) of the National Housing Act (12 U.S.C. 1717(b) (1)) is amended by striking out “to a public agency” and inserting in lieu thereof “or guaranteed”.

SEC. 3. The first sentence of section 7(a) of the Federal Home Loan Bank Act (12 U.S.C. 1427) is amended by striking “twelve”, “four”, and “one-half” and inserting in lieu thereof “fourteen”, “six”, and “three-fourths”, respectively.

SEC. 4. Public Law 93-127 is amended by adding at the end thereof the following new section:

“SEC. 6. Nothing in this Act prohibits the Secretary of the Treasury, when he deems it necessary to assure an adequate supply of coins to meet the national needs, from continuing the minting for issuance during the calendar year 1975 of dollar, half-dollar, and quarter-dollar coins bearing the design and coinage date provided for in section 3517 of the Revised Statutes, as amended (31 U.S.C. 324).”

SEC. 5. The first sentence of section 4 of Public Law 93-127 is amended by striking out “July 4, 1975, for issuance on and after such date” and inserting in lieu thereof “July 4, 1976, for issuance on and after July 4, 1975”.

SEC. 6. Section 8a of the Federal Home Loan Bank Act (12 U.S.C. 1428a) is hereby amended by striking the first sentence thereof and inserting in lieu thereof the following: “There is hereby created a Federal Savings and Loan Advisory Council, which shall continue to exist as long as the Board biannually determines, as a matter of formal record, after consultation with the Director of the Office of Management and Budget, with timely notice in the Federal Register, to be in the public interest in connection with the performance of duties

S. J. Res. 263—2

imposed on the Council by law. The Council shall, in all other respects, be subject to the provisions of the Federal Advisory Committee Act. The Council shall consist of one member for each Federal Home Loan Bank district to be elected annually by the board of directors of the Federal Home Loan Bank in such district and twelve members to be appointed annually by the Board to represent the public interest.”

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*

December 16, 1974

Dear Mr. Director:

The following bills were received at the White House on December 16th:

✓ S.J. Res. 263	✓ H.R. 14349
✓ H.R. 1355	✓ H.R. 19067
✓ H.R. 5056	✓ H.R. 15818
H.R. 7072 ✓	✓ H.R. 16006
✓ H.R. 7077	✓ H.R. 16428
✓ H.R. 11013	

Please let the President have reports and recommendations as to the approval of these bills as soon as possible.

Sincerely,

Robert D. Linder
Chief Executive Clerk

The Honorable Roy L. Ash
Director
Office of Management and Budget
Washington, D. C.