

prior to lease expiration. However, if the lease contains an option to renew and the FDIC determines that it is in its best interest to remain at the same location, the option can be exercised provided the following information is collected and shows that remaining in the same location is the best alternative:

(1) *Market Survey.* Contract with a local real estate professional to perform a market survey that will report on current vacancy rates, current asking rates, and the effective rates of recently completed comparable deals.

(2) *Proposal from Landlord.* Solicit a proposal from the current landlord that addresses the criteria and needs of the FDIC.

(3) *Fitness and Integrity.* Obtain a new Representations and Certifications form from the landlord to check fitness and integrity.

(4) *Cost Comparison.* Compare the cost of staying at the current location under the renewal option to the estimated cost of relocating.

If it appears that the best option is to remain at the current location after gathering and analyzing this data, the FDIC will attempt to renegotiate any terms of the current lease that caused problems during the initial lease term.

If the economic terms of the proposed extension prove that it will be less expensive to stay in the existing space, and if there are no remaining problems with the terms of the lease, a lease amendment will be prepared and executed after appropriate approvals are obtained in accordance with the Corporate Delegations of Authority.

C. Lease Extensions. A lease extension differs from a lease renewal because (1) There are no options to exercise and the FDIC needs to remain in the space beyond the lease expiration date, or (2) the existing option(s) are unacceptable and the FDIC needs to remain in the space beyond the lease expiration date.

A lease extension is not meant to be a long-term solution to a space acquisition problem or to circumvent the competitive space acquisition process. It is meant to provide the FDIC additional time to determine its long-term requirements, which will then be included in a formal competition. Therefore, a lease extension will not be longer than three years.

(1) *Long-Term Lease Extensions.* As with a lease renewal, the following requirements need to be fulfilled if the lease is to be extended for a period longer than six months:

(a) *Market Survey.* Contract with a local real estate professional to perform a market survey that will report on current vacancy rates, current asking

rates, and the effective rates of recently completed comparable deals.

(b) *Proposal from Landlord.* Solicit a proposal from the current landlord that addresses the criteria and needs of the FDIC.

(c) *Fitness and Integrity.* Obtain a new Representations and Certifications form from the landlord to check fitness and integrity.

(d) *Cost Comparison.* Compare the cost of staying at the current location versus the estimated cost of relocating.

(e) *Negotiate.* Renegotiate any terms of the lease that may have caused problems during the initial term.

(f) *Obtain Approvals and Execute Lease Amendment.* Since a long-term lease extension could be considered a non-competitive procurement, the Board of Directors must approve all such extensions before the lease amendment is executed.

(2) *Short-Term Extensions.* When the term of the proposed lease extension will be six months or less, the lease amendment can be executed after appropriate approvals are obtained in accordance with the Corporate Delegations of Authority.

By order of the Board of Directors, dated at Washington, DC, this 6th day of February, 1996.

Federal Deposit Insurance Corporation.

Jerry L. Langley,

Executive Secretary.

[FR Doc. 96-3130 Filed 2-12-96; 8:45 am]

BILLING CODE 6714-01-P

Policy Statement on the Fitness and Integrity of Lessors of Real Property to the FDIC

AGENCY: Federal Deposit Insurance Corporation (FDIC).

ACTION: Statement of policy.

SUMMARY: The FDIC has adopted a statement of policy which establishes the standards of fitness and integrity for Lessors who lease space to the FDIC. The policy statement ensures that the FDIC addresses conflicts of interest associated with the ownership of buildings leased by the Corporation. The policy statement is consistent with the purposes of section 19 of the RTC Completion Act.

EFFECTIVE DATE: February 6, 1996.

FOR FURTHER INFORMATION CONTACT: Joanna K. Lyckberg, Policy Analyst, (202-942-3217), Division of Administration, 550 17th Street NW., Washington, DC 20429.

SUPPLEMENTARY INFORMATION: The text of the policy statement follows:

Policy Statement on the Fitness and Integrity of Lessors of Real Property to the FDIC

I. Purpose. To establish:

A. Minimum standards governing Conflicts of Interest and ethical responsibilities for Lessors who have entered into Leases with the FDIC, or who seek to lease real property to the FDIC; and

B. Official written guidance for FDIC personnel including, without limitation, personnel in the Division of Administration, the Division of Supervision and the Office of the Executive Secretary, on the implementation of those minimum standards.

II. Applicability. This policy will apply to:

A. All Leases of 10,000 square feet or more awarded as a result of Requests for Proposals issued after the date of this policy; and

B. All Lease Amendments entered into after the date of this policy to (1) Existing Leases of 10,000 square feet or more, or (2) existing Leases of less than 10,000 square feet where the total square footage of the Lease will be 10,000 square feet or more if the Lease Amendment is executed.

III. Definitions. As used in this policy statement:

A. *Company* means any corporation, firm, partnership, society, joint venture, business trust, association or similar organization, or any other trust, or any other organization or institution.

B. *Conflict of Interest* means a situation in which:

(1) A Lessor or a Lessor's Affiliate is adverse to the FDIC, RTC, Federal Savings and Loan Insurance Corporation (FSLIC), or their successors in a lawsuit, for which no final adjudication or settlement has occurred; or

(2) A Lessor or a Lessor's Affiliate has caused a Substantial Loss to Federal Deposit Insurance Funds within the ten year period preceding the submission of its offer; or

(3) A Lessor or a Lessor's Affiliate has been convicted of a Fraud Offense or of conspiring to commit a Fraud Offense affecting any Insured Depository Institution; or

(4) A Lessor or a Lessor's Affiliate has Defaulted on a Material Obligation within the last five years; or

(5) A Lessor or a Lessor's Affiliate has been removed from, or prohibited from participating in the affairs of any Insured Depository Institution pursuant to any final enforcement action by the Office of the Comptroller of the Currency, the Office of Thrift Supervision, the Board of Governors of

the Federal Reserve System, or the FDIC or their successors; or

(6) A situation in which the FDIC determines, in its sole discretion, that the FDIC's award of a Lease to a Lessor could cause a reasonable person to question the integrity of the FDIC's operations. An example (without limitation) of a Conflict of Interest determined by the FDIC is a situation in which an individual who is not a Lessor's Affiliate, but has a direct or indirect equity interest in the Lessor, or directly or indirectly controls the Lessor, has been convicted of a Fraud Offense.

C. Default on a Material Obligation means a loan or advance from an Insured Depository Institution which has been delinquent for 90 or more days as to payment of principal or interest, or a combination thereof, with a remaining balance of principal, and accrued interest on the ninetieth day, or any time thereafter, in an amount in excess of \$1,000,000.

D. Family Member means the Lessor's spouse or dependent child.

E. FDIC means the Federal Deposit Insurance Corporation in its receivership and corporate capacities. It does not mean the FDIC in its conservatorship capacity or when it is operating a bridge bank.

F. Fraud Offense means any felony offense under the sections of title 18 U.S. Code as listed in Part IX, or similar offenses under state laws.

G. Insured Depository Institution means any bank or savings association the deposits of which are insured by the FDIC.

H. Insurer means the FDIC, RTC, FSLIC or their successors; or the Bank Insurance Fund, the Savings Association Insurance Fund, the FSLIC Resolution Fund, or funds maintained by the RTC for the benefit of insured depositors.

I. Lease means a lease or sublease of real property for the use of the FDIC (including its contractors) as tenant, including but not limited to warehouse, office and retail space. As used herein, "Lease" does not include contracts for storage services.

J. Lease Amendment means any change to a Lease which extends the term of the Lease, increases the rentable square footage of the premises leased, or increases the rent paid under the Lease. As used herein, however, "Lease Amendment" does not refer to the exercise of a priced renewal option or an expansion option at a predetermined rental rate under any Lease entered into prior to the date of this policy.

K. Lessor means an individual or a Company which intends to or has

submitted an Offer to lease or sublease real property to the FDIC, or which has entered into a Lease or a sublease with the FDIC.

L. Lessor's Affiliate means:

(1) if the Lessor is a Company, (a) any general partner of the Lessor, or (b) any beneficial owner of a 25% or greater equity interest in the Lessor; or

(2) any Company of which the Lessor is (a) A general partner, or (b) in which the Lessor is the beneficial owner of a 25% or greater equity interest; or

(3) if the Lessor is an individual, any Family Member of the Lessor.

A Lessor's Affiliate may be either an individual or a Company.

M. Obligation means a commitment to pay money to an Insurer, that is currently owing to, and held by, an Insurer, and which currently is not performing in accordance with the terms thereof (including any modifications thereto), including, without limitation, (1) Any unsatisfied final judgment, and (2) any guarantee of any Obligation.

N. Offer means a proposal to enter into a Lease.

O. RTC means the Resolution Trust Corporation in any of its capacities.

P. Substantial Loss to Federal Deposit Insurance Funds means: An Obligation that is or has been delinquent for 90 or more days as to payment of principal, interest, or a combination thereof and on which there remains a legal duty to pay an amount in excess of \$50,000. A Substantial Loss to Federal Deposit Insurance Funds does NOT include situations where the Obligation (1) has been fully resolved and the debtor has been released in full by the applicable Insurer, or (2) has been sold or transferred by the applicable Insurer and such Insurer retains no interest therein.

IV. Policy.

A. General. The FDIC will not consider Offers from Lessors, award Leases to Lessors, or enter into Lease Amendments with Lessors that either (a) fail to provide any of the information required by this policy; or (b) have Conflicts of Interest, unless such Conflicts of Interest are eliminated by the Lessor or waived by the FDIC.

B. Waivers. Waivers of Conflicts of Interest will be granted only when, in light of all relevant circumstances, the Executive Secretary, or the designee of the Executive Secretary determines in his or her discretion that the interests of the FDIC in entering into a Lease or a Lease Amendment with the Lessor outweigh the concern that a reasonable person may question the integrity of the FDIC's operations.

V. Procedures.

A. Conflicts of Interest.

(1) **Conflicts of Interest in existence prior to submission of an Offer.**

(a) A Lessor shall provide all information and certifications required in paragraph V.B. hereof at the time it makes an Offer to the FDIC.

(b) A Lessor that has a Conflict of Interest as defined at paragraph III.B.(1) through (4) of this policy statement shall, with its Offer, request that the Conflict of Interest be waived in accordance with paragraph IV.B., or propose how the Lessor will eliminate the Conflict of Interest.

(c) The Executive Secretary or designee, in his or her discretion, may waive the Conflict of Interest in accordance with paragraph IV.B., or may approve in writing a Lessor's proposal to eliminate the Conflict of Interest for purposes of the specific Lease.

(2) Conflicts of Interest arising after submission of an Offer but prior to entering into a Lease.

(a) If, after submitting its Offer, but prior to entering into a Lease, a Lessor discovers that it has a Conflict of Interest, it must notify the FDIC in writing within five business days of such discovery. The Lessor shall include with such notification a detailed description of the Conflict of Interest, and either (i) A statement of how it intends to eliminate the Conflict of Interest; or (ii) a request for a waiver of the Conflict of Interest.

(b) The Executive Secretary or designee, in his or her discretion, may waive the Conflict of Interest in accordance with paragraph IV.B., or may approve in writing a Lessor's proposal to eliminate the Conflict of Interest for purposes of the specific Lease.

(3) Conflicts of Interest that arise after entering into a Lease. FDIC Lease agreements shall require that the Lessor notify the FDIC in writing within five business days after discovering a Conflict of Interest that arises after the Lessor and the FDIC have entered into a Lease. The Lessor shall include with such notification a detailed description of the Conflict of Interest, and either (i) A statement of how it intends to eliminate the Conflict of Interest; or (ii) a request for a waiver of the Conflict of Interest. After receipt of such notice from the Lessor, the FDIC shall take such action as it determines is in the FDIC's best interests, including:

(a) The FDIC shall notify the Lessor in writing of its finding as to whether a Conflict of Interest exists. If the FDIC finds that a Conflict of Interest exists, the FDIC shall also notify the Lessor in

writing of the basis for such determination, and when applicable

(i) whether a waiver will be granted, and if so, the terms and conditions of such waiver; or

(ii) a description of the corrective actions, if any, that the Lessor will take in order to eliminate the Conflict of Interest. Corrective actions must be completed by the Lessor not later than 30 days after notification is mailed by the FDIC unless the FDIC, in its sole discretion, determines that it is in the best interests of the FDIC to grant the Lessor an extension in which to complete such corrective action.

(b) Unless the FDIC waives the Conflict of Interest or the Lessor eliminates the Conflict of Interest the FDIC shall not enter into any Lease Amendments with the Lessor.

(4) Conflicts of Interest discovered by the FDIC. The FDIC will review all information provided by the Lessor with its Offer, as well as information from other sources that the FDIC determines is relevant. If the FDIC, in its sole discretion determines, based on such reviews, that a Conflict of Interest exists, an FDIC representative shall notify the Lessor of the basis for such determination.

(a) If the FDIC discovers a Conflict of Interest after submission of an Offer, but prior to entering into a Lease:

(i) The Lessor must respond to the FDIC in writing, within five business days of the FDIC's notification of its determination in one of the following ways:

[1] Stating how it intends to eliminate the Conflict of Interest; or

[2] Requesting that the FDIC waive the Conflict of Interest; or

[3] If the FDIC's determination was based solely on information from a source other than the Lessor, and the Lessor can demonstrate that such information was incomplete or incorrect, the Lessor may provide additional or corrected facts and request that the FDIC consider such facts and reevaluate its determination that a Conflict of Interest exists. After reviewing the Lessor's additional or corrected information, the FDIC will notify the Lessor promptly whether it confirms its determination that a Conflict of Interest exists.

(ii) If the Lessor does not respond in writing to the FDIC within five business days, the FDIC shall deem the Lessor's Offer to have been withdrawn.

(b) If the FDIC discovers a Conflict of Interest after entering into a Lease, the FDIC shall take such action as it determines is in the FDIC's best interest, including the actions described at V.A.(3) (a) and (b). As detailed at

V.A.(4)(a)(i)[3], the Lessor can request that the FDIC reevaluate its determination if the FDIC's determination was based solely on information from a source other than the Lessor, and the Lessor can demonstrate that such information was incomplete or incorrect. After reviewing the Lessor's additional or corrected information, the FDIC will notify the Lessor promptly whether or not it will reverse its determination that a Conflict of Interest exists.

(5) Reconsideration of decisions. The Lessor may request that the Chairman or designee(s) reconsider FDIC decisions regarding acceptance of a Lessor's proposal for the elimination of a Conflict of Interest, or the issuance of a requested waiver to a Conflict of Interest. Such requests must be in writing and contain the reasons for the request. The Chairman or designee(s) shall have the right to decline reconsideration.

B. Information required to be submitted.

(1) Initial submission. Every Lessor shall submit a completed "FDIC Leasing Representations and Certifications" form, including Part II, "Lessor Fitness and Integrity Certification" and such other information as the FDIC may deem appropriate to permit it to make a determination with respect to Conflicts of Interest at the time the Lessor submits an Offer and prior to entering into any Lease Amendment. Among other items, the form shall require that the Lessor provide the following:

(a) Certifications that no Conflicts of Interest, as defined in paragraph III.B.

(1) through (4) exist; or;

(b) In the event that one or more Conflicts of Interest exist, the following information:

(i) When applicable, a description of any lawsuit in which the Lessor or any Lessor's Affiliate is adverse to the FDIC, RTC, FSLIC, or their successors and for which no final adjudication or settlement has occurred;

(ii) When applicable, a list and description of any instance during the five years preceding the submission of the Offer in which the Lessor or any Lessor's Affiliate has caused a Substantial Loss to Federal Deposit Insurance Funds;

(iii) When applicable, a list and description of any Fraud Offense of which the Lessor or any Lessor's Affiliate has been convicted;

(iv) When applicable, a list and description of any instance during the five years preceding the submission of the Offer in which the Lessor or any Lessor's Affiliate has Defaulted on a Material Obligation;

(v) When applicable, a list and description of any instances in which the Lessor or any Lessor's Affiliate has been removed from, or prohibited from participating in the affairs of any Insured Depository Institution pursuant to any final enforcement action by the Office of the Comptroller of the Currency, the Office of Thrift Supervision, the Board of Governors of the Federal Reserve System, or the FDIC or their successors; and

(vi) The Lessor's request for waiver of such Conflicts of Interest or proposal for elimination of such Conflicts of Interest; and

(c) A description of any commitment to pay \$50,000 or more to an Insurer that has been fully released by the Insurer but for which the Insurer received less than 100% (including interest, late charges and other costs of collection) of the amount due; and

(d) Any other information which the FDIC may deem appropriate.

(2) Subsequent submissions. FDIC Lease agreements shall require that during the term of the Lease, the Lessor shall:

(a) immediately notify the FDIC if any of the information submitted pursuant to this policy was incorrect at the time of submission or has subsequently become incorrect; and

(b) at any time, submit such information as the FDIC requests in order to permit the FDIC to determine if a Conflict of Interest exists.

(3) Failure to provide information. Any Lessor who fails to provide any of the information required by this policy will neither be considered for, nor be eligible for, the award of a Lease or a Lease Amendment.

(4) Misstatement of material fact. Any Lessor who misstates or fails to disclose to the FDIC a material fact or any Conflict of Interest, as defined in paragraph III.B.(1) through (4), whether prior to or during the term of the Lease, will not be considered eligible for the award of any Lease or Lease Amendment.

VI. Lease agreement requirements

A. Retention of information. FDIC Lease agreements shall specify that the Lessor shall retain the information upon which it relied in preparing its certification(s) during the term of the Lease and for a period of three years following the termination or expiration of the Lease or any extension thereof, and shall make such information available for review by the FDIC upon request.

B. Response to requests for additional information. FDIC Lease agreements shall specify that any Lessor who fails to respond to a request for information

made by the FDIC pursuant to Section V.B.2.(b) of this policy, shall be in default under the Lease for which such information was requested.

C. Additional Lease agreement provisions. In addition to the provisions of this policy, the FDIC may include in its Lease agreements such provisions, conditions and limitations as the FDIC deems necessary, including additional standards for Lessor fitness and integrity, and minimum standards of ethical responsibility for Lessors.

VII. Delayed compliance in emergencies. In emergencies, when unforeseeable circumstances make it necessary to enter into a Lease immediately in order to protect FDIC personnel or property, the FDIC may delay compliance with this policy.

VIII. Finality of determination. Any determination made by the FDIC pursuant to this policy shall be in the FDIC's sole discretion and shall not be subject to further review, except as otherwise provided pursuant to a specific Lease agreement.

IX. General. Felony offenses as used in the standards set forth in this statement of policy mean the following statutes that establish standards to which a Lessor's conduct must conform and which shall not have been violated. This list is as follows:

A. Bribery of Public Officials (18 U.S.C. 201).

B. Offer of a loan or gratuity to bank examiners (18 U.S.C. 212).

C. Continuing financial crimes enterprise (18 U.S.C. 225).

D. Taking or using papers relating to claims (18 U.S.C. 285).

E. Conspiracy to defraud the Government with respect to claims (18 U.S.C. 286).

F. False, fictitious or fraudulent claims (18 U.S.C. 287).

G. Bonds and obligations of certain lending agencies (18 U.S.C. 493).

H. Contractors' bonds, bids, and public records (18 U.S.C. 494).

I. Contracts, deeds, and powers of attorney (18 U.S.C. 495).

J. Chapter 31 Embezzlement and Theft (18 U.S.C. 642 through 668).

K. Statements or entries generally (18 U.S.C. 1001).

L. Possession of false papers to defraud United States (18 U.S.C. 1002).

M. Bank entries, reports and transactions (18 U.S.C. 1005).

N. Federal credit institution entries, reports and transactions (18 U.S.C. 1006).

O. Federal Deposit Insurance Corporation transactions (18 U.S.C. 1007).

P. Loans and credit applications generally (18 U.S.C. 1014).

Q. Concealment of assets from conservator, receiver, or liquidating agent of financial institution (18 U.S.C. 1032).

R. Chapter 63 Mail Fraud (18 U.S.C. 1341 through 1344).

S. Laundering of monetary instruments (18 U.S.C. 1956).

By order of the Board of Directors, dated at Washington, DC, this 6th day of February, 1996.

Federal Deposit Insurance Corporation.

Jerry L. Langley,

Executive Secretary.

[FR Doc. 96-3129 Filed 2-12-96; 8:45 am]

BILLING CODE 6714-01-P

FEDERAL EMERGENCY MANAGEMENT AGENCY

[FEMA-1094-DR]

Maryland; Amendment to Notice of a Major Disaster Declaration

AGENCY: Federal Emergency Management Agency (FEMA).

ACTION: Notice.

SUMMARY: This notice amends the notice of a major disaster for the State of Maryland (FEMA-1094-DR), dated January 23, 1996, and related determinations.

EFFECTIVE DATE: February 2, 1996.

FOR FURTHER INFORMATION CONTACT: Pauline C. Campbell, Response and Recovery Directorate, Federal Emergency Management Agency, Washington, DC 20472, (202) 646-3606.

SUPPLEMENTARY INFORMATION: Notice is hereby given that the incident period for this disaster is closed effective January 31, 1996.

(Catalog of Federal Domestic Assistance No. 83.516, Disaster Assistance.)

Dennis H. Kwiatkowski,

Deputy Associate Director, Response and Recovery Directorate.

[FR Doc. 96-3141 Filed 2-12-96; 8:45 am]

BILLING CODE 6718-02-P

[FEMA-1088-DR]

New Jersey; Amendment to Notice of a Major Disaster Declaration

AGENCY: Federal Emergency Management Agency (FEMA).

ACTION: Notice.

SUMMARY: This notice amends the notice of a major disaster for the State of New Jersey, (FEMA-1088-DR), dated January 13, 1996, and related determinations.

EFFECTIVE DATE: February 2, 1996.

FOR FURTHER INFORMATION CONTACT: Pauline C. Campbell, Response and

Recovery Directorate, Federal Emergency Management Agency, Washington, DC 20472, (202) 646-3606.

SUPPLEMENTARY INFORMATION: The notice of a major disaster for the State of New Jersey, is hereby amended to designate the following areas as those areas determined to have been adversely affected by the catastrophe declared a major disaster by the President in his declaration of January 13, 1996:

Atlantic, Bergen, Burlington, Camden, Cape May, Cumberland, Essex, Gloucester, Hudson, Hunterdon, Mercer, Middlesex, Monmouth, Morris, Ocean, Passaic, Salem, Somerset, Sussex, Union, and Warren Counties for reimbursement for the costs of equipment, contracts, and personnel overtime that are required to clear one lane in each direction along snow emergency routes (or select primary roads in those communities without such designated roadways), and routes necessary to allow the passage of emergency vehicles to hospitals, nursing homes, and other critical facilities.

(Catalog of Federal Domestic Assistance No. 83.516, Disaster Assistance.)

G. Clay Hollister,

Deputy Associate Director, Response and Recovery Directorate.

[FR Doc. 96-3136 Filed 2-12-96; 8:45 am]

BILLING CODE 6718-02-P

[FEMA-1095-DR]

New York; Amendment to Notice of a Major Disaster Declaration

AGENCY: Federal Emergency Management Agency (FEMA).

ACTION: Notice.

SUMMARY: This notice amends the notice of a major disaster for the State of New York, (FEMA-1095-DR), dated January 24, 1996, and related determinations.

EFFECTIVE DATE: February 5, 1996.

FOR FURTHER INFORMATION CONTACT: Pauline C. Campbell, Response and Recovery Directorate, Federal Emergency Management Agency, Washington, DC 20472, (202) 646-3606.

SUPPLEMENTARY INFORMATION: The notice of a major disaster for the State of New York, is hereby amended to include the following areas among those areas determined to have been adversely affected by the catastrophe declared a major disaster by the President in his declaration of January 24, 1996:

The counties of Albany, Allegany, Cattaraugus, Cayuga, Chenango, Cortland, Dutchess, Montgomery, Orange, Rensselaer, and Tompkins for Public Assistance and Hazard Mitigation Assistance (already designated for Individual Assistance).

The counties of Franklin, Jefferson, Lewis, Livingston, Madison, Ontario, Putnam, Schuyler, Washington, Wyoming and Yates