

Unless otherwise noted, comments regarding each of these applications must be received not later than December 7, 1995.

A. Federal Reserve Bank of Boston (Robert M. Brady, Vice President) 600 Atlantic Avenue, Boston, Massachusetts 02106:

1. *Eastern Bank Corporation*, Lynn, Massachusetts; to retain 100 percent of the voting shares of Eastern Bank and Trust Company, Salem, Massachusetts. Eastern Bank Corporation (EBC) currently owns 100 percent of Eastern Bank and Trust Company (Trust). Trust has a commercial bank charter, but is currently operating as a trust company pursuant to section 4(c)(8) and 12 CFR 225.25(b)(3). EBC is seeking approval to alter Trust's activities such that Trust meet the definition of a "bank" for purposes of the Bank Holding Company Act of 1956, as amended.

B. Federal Reserve Bank of Minneapolis (James M. Lyon, Vice President) 250 Marquette Avenue, Minneapolis, Minnesota 55480:

1. *Empire Bancshares Incorporated*, Sioux Falls, South Dakota; to become a bank holding company by acquiring 100 percent of the voting shares of Founders Trust National Bank, Sioux Falls, South Dakota, a *de novo* bank.

C. Federal Reserve Bank of Cleveland (John J. Wixted, Jr., Vice President) 1455 East Sixth Street, Cleveland, Ohio 44101:

1. *Community First Bancorp, Inc.*, Reynoldsville, Pennsylvania; to become a bank holding company by acquiring 100 percent of the voting shares of The First National Bank of Reynoldsville, Reynoldsville, Pennsylvania.

Board of Governors of the Federal Reserve System, November 7, 1995.

Jennifer J. Johnson,

Deputy Secretary of the Board.

[FR Doc. 95-28141 Filed 11-14-95; 8:45 am]

BILLING CODE 6210-01-F

Huntington Bancshares Incorporated; Request for an Exemption from Tying Provisions

Huntington Bancshares Incorporated, Columbus, Ohio (Huntington), has requested, pursuant to section 106(b) of the Bank Holding Company Act Amendments of 1970 (12 U.S.C. 1971 *et seq.*) ("section 106"), that the Board grant an exemption to permit Huntington or any of its bank or nonbank subsidiaries to vary the consideration charged for a floorplan loan to an automobile dealership based on the percentage of retail paper financing originated by the dealership

on behalf of Huntington.¹ According to Huntington, a "floorplan loan" is a loan or line of credit provided to an automobile dealership to finance the acquisition of the dealer's inventory for sale to the general public, and "retail paper financing" means financing provided to consumers seeking to purchase an automobile from the dealer's inventory.² Huntington indicates that floorplan loans and retail paper financing will remain separately available to customers at market prices.

Section 106 generally prohibits a bank from varying the consideration charged for any product or service, including an extension of credit, on the condition or requirement that: (1) a customer obtain some additional credit, property, or service from such bank, other than a loan, discount, deposit, or trust service (so called, "traditional bank products") (See 12 U.S.C. 1972(1)(A));³ or (2) a customer provide some additional credit, property, or service to such bank, other than those related to and usually provided in connection with a loan, discount, deposit, or trust service. (See 12 U.S.C. 1972(1)(C)). The Board may, by regulation or order, grant exceptions that are not contrary to the purposes of the section.

Huntington argues that the proposed tying arrangement should be permissible under the statutory exceptions discussed above as well as exceptions contained in the Board's anti-tying rules. 12 CFR 225.7. However, Huntington is seeking an exemption from section 106 to clarify whether retail paper financing may be characterized as either a traditional bank product so that the proposal is consistent with the exception contained in 12 U.S.C. 1972(1)(A), or as a practice related to and usually provided in connection with a floorplan loan so that the proposal is consistent with the exception contained in 12 U.S.C. 1972(1)(C).

Even if the proposal does not fall within the literal terms of exceptions to the prohibitions contained in section

¹ Huntington has requested that any exception granted by the Board be broad enough to cover dealers in goods other than automobile dealerships who may finance their inventory through floorplan lending.

² For purposes of this proposal, retail paper financing may consist of either: (1) a retail installment contract or similar instrument between the purchaser and the dealer which is then assigned to Huntington; or (2) a direct obligation between the purchaser and Huntington originated on Huntington's behalf by the dealer.

³ Section 106 also prohibits a bank from varying the consideration charged for any product or service on the condition or requirement that a customer "obtain" some additional credit, property or service from an "affiliate" of such bank. See 12 U.S.C. 1972(1)(B).

106, Huntington believes that the proposed package arrangement is not anticompetitive and is generally offered by Huntington's nonbank competitors who are not subject to section 106. Huntington also argues that the market for floorplan loans and retail financing services is national in scope and highly competitive, and that Huntington does not possess sufficient market power in any relevant market to impair competition in that market. Furthermore, Huntington believes that the proposal is consistent with Congressional intent that section 106 not interfere with a customer's ability to negotiate the price of multiple banking services with a bank on the basis of the customer's entire relationship with the bank.⁴ Finally, Huntington asserts that the proposal will promote competition because automobile dealerships may obtain floorplan lending and retail paper financing from other financial institutions, and there is no requirement that consumers finance their vehicle purchase through this arrangement.

Notice of Huntington's request is published in order to seek the views of interested persons on the issues presented by the request and does not represent a determination by the Board that the request meets or is likely to meet the standards of Section 106. The request may be inspected at the offices of the Board of Governors or at the Federal Reserve Bank of Cleveland.

Any comments or requests for hearing should be submitted in writing and received by William W. Wiles, Secretary of the Board of Governors of the Federal Reserve System, Washington, DC 20551, not later than December 12, 1995.

Board of Governors of the Federal Reserve System, November 7, 1995.

Jennifer J. Johnson,

Deputy Secretary of the Board.

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Robert H. Stewart, Jr., et al.; Change in Bank Control Notices; Acquisitions of Shares of Banks or Bank Holding Companies

The notificants listed below have applied under the Change in Bank Control Act (12 U.S.C. 1817(j)) and § 225.41 of the Board's Regulation Y (12 CFR 225.41) to acquire a bank or bank holding company. The factors that are considered in acting on the notices are set forth in paragraph 7 of the Act (12 U.S.C. 1817(j)(7)).

⁴ S. Rep. No. 1084, 91st. Cong., 2d Sess., 16-17 (1970).