

amended, which is classified generally to subchapter I (§1601 et seq.) of chapter 41 of Title 15, Commerce and Trade. For complete classification of this Act to the Code, see Short Title note set out under section 1601 of Title 15 and Tables.

CODIFICATION

Section was enacted as part of the Competitive Equality Banking Act of 1987, and not as part of the Alternative Mortgage Transaction Parity Act of 1982 which comprises this chapter.

AMENDMENTS

1992—Subsec. (d)(2). Pub. L. 102-550 substituted “any consumer loan” for “any loan”.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in title 15 section 1639.

**CHAPTER 40—INTERNATIONAL LENDING SUPERVISION**

- Sec.
- 3901. Congressional declaration of policy.
- 3902. Definitions.
- 3903. Strengthened supervision of international lending.
- 3904. Reserves.
  - (a) Establishment and maintenance of special reserves.
  - (b) Accommodation of potential losses on foreign loans by United States banks.
  - (c) Regulations and orders of Federal banking agencies.
- 3904a. Additional reserve requirements.
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- 3905. Accounting for fees on international loans.
- 3906. Collection and disclosure of international lending data.
  - (a) Submission of information to Federal banking agencies.
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- 3907. Capital adequacy.
- 3908. Foreign loan evaluations.
  - (a) Projects requiring an economic feasibility evaluation; content of evaluation.
  - (b) Review of evaluation by Federal banking agencies.
  - (c) Other statutory authorities applicable.
- 3909. General authorities.
  - (a) Rules and regulations.
  - (b) Systems uniformity.
  - (c) Existing authorities.
  - (d) Civil penalties; assessment and collection.
- 3910. Audit authority of General Accounting Office.
  - (a) Scope of audit.
  - (b) Limits on disclosure.
  - (c) Records, property, workpapers, correspondence, and documents; accessibility.
- 3911. Equal representation for Federal Deposit Insurance Corporation.
- 3912. Repealed.

**§ 3901. Congressional declaration of policy**

(a)(1) It is the policy of the Congress to assure that the economic health and stability of the

United States and the other nations of the world shall not be adversely affected or threatened in the future by imprudent lending practices or inadequate supervision.

(2) This shall be achieved by strengthening the bank regulatory framework to encourage prudent private decisionmaking and by enhancing international coordination among bank regulatory authorities.

(b) The Federal banking agencies shall consult with the banking supervisory authorities of other countries to reach understandings aimed at achieving the adoption of effective and consistent supervisory policies and practices with respect to international lending.

(Pub. L. 98-181, title IX, §902, Nov. 30, 1983, 97 Stat. 1278.)

SHORT TITLE OF 1989 AMENDMENT

Pub. L. 101-240, title IV, §401, Dec. 19, 1989, 103 Stat. 2501, provided that: “This title [enacting section 3904a of this title and enacting provisions set out as notes under section 3904a of this title and section 2291 of Title 22, Foreign Relations and Intercourse] may be cited as the ‘Foreign Debt Reserving Act of 1989’.”

SHORT TITLE

Section 901 of title IX of Pub. L. 98-181 provided that: “This title [enacting this chapter] may be cited as the ‘International Lending Supervision Act of 1983’.”

ENCOURAGEMENT OF DEBT-FOR-DEVELOPMENT SWAPS THROUGH LOCAL CURRENCY REPAYMENT

Pub. L. 101-240, title V, §531, Dec. 19, 1989, 103 Stat. 2513, provided that:

“(a) STATEMENT OF POLICY.—It is the sense of the Congress that—

“(1) debt-for-development swaps, where payment is made in local currency at the free market rate, serve a useful purpose by providing banking institutions with constructive opportunities for the reduction of the external debt of highly indebted developing countries in a process that involves the participation of private, nonprofit groups in providing a stimulus to the economic and social development of such developing countries;

“(2) debt-for-development swaps provide highly indebted developing countries with a creative method of reducing external debt burdens, while promoting their economic growth and restructuring objectives;

“(3) banking institutions should give careful consideration to engaging in such swaps as one means of strengthening overall loan portfolios through the reduction of high external debt burdens while expanding economic opportunities through private sector initiatives; and

“(4) in order to avoid any bias against such swaps in the regulatory framework applicable to the financial reporting of banking institutions, where payment is made in local currency at the free market rate, appropriate recognition of the fair market exchange value of the currency so received should be made.

“(b) NOTIFICATION RELATING TO LOCAL CURRENCY REPAYMENT THROUGH DEBT-FOR-DEVELOPMENT SWAPS.—Before the end of the 6-month period beginning on the date of the enactment of this section [Dec. 19, 1989], each appropriate Federal banking agency shall adopt uniform guidelines that will effectuate the policy set forth in subsection (a) concerning the regulatory framework and accounting treatment of debt-for-development swaps involving repayment in local currency at the free market rate. For the purpose of such guidelines, the impact of such swaps on reported loan loss reserves shall be determined by valuing currency received in such swaps at fair market exchange value.