

1. *Berthoud Bancorp Employee Stock Ownership Plan*, Berthoud, Colorado to acquire at least 50 percent of the voting shares of Berthoud Bancorp, Inc., Berthoud, Colorado, and thereby indirectly acquire Berthoud National Bank, Berthoud, Colorado.

Board of Governors of the Federal Reserve System, November 26, 1996.

Jennifer J. Johnson,

Deputy Secretary of the Board.

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BILLING CODE 6210-01-F

Notice of Proposals To Engage in Permissible Nonbanking Activities or To Acquire Noncompanies That Are Engaged in Permissible Nonbanking Activities

The companies listed in this notice have given notice under section 4 of the Bank Holding Company Act (12 U.S.C. 1843) (BHC Act) and Regulation Y, (12 CFR Part 225) to engage *de novo*, or to acquire or control voting securities or assets of a company that engages either directly or through a subsidiary or other company, in a nonbanking activity that is listed in § 225.25 of Regulation Y (12 CFR 225.25) or that the Board has determined by Order to be closely related to banking and permissible for bank holding companies. Unless otherwise noted, these activities will be conducted throughout the United States.

Each notice is available for inspection at the Federal Reserve Bank indicated. Once the notice has been accepted for processing, it will also be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the question whether the proposal complies with the standards of section 4 of the BHC Act, including whether consummation of the proposal can "reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices" (12 U.S.C. 1843). Any request for a hearing on this question must be accompanied by a statement of the reasons a written presentation would not suffice in lieu of a hearing, identifying specifically any questions of fact that are in dispute, summarizing the evidence that would be presented at a hearing, and indicating how the party commenting would be aggrieved by approval of the proposal.

Unless otherwise noted, comments regarding the applications must be

received at the Reserve Bank indicated or the offices of the Board of Governors not later than December 17, 1996.

A. Federal Reserve Bank of New York (Christopher J. McCurdy, Senior Vice President) 33 Liberty Street, New York, New York 10045:

1. *Bayerische Vereinsbank AG*, Munich, Germany; to engage *de novo* through its subsidiary, VB Risk Management Products, Inc., New York, New York in intermediating in the international swap markets by acting as an originator and principal in interest rate swap and currency swap transactions; in acting as an originator and principal with respect to certain interest rate and currency risk-management products such as caps, floors and collars, as well as options on swaps, caps, floors and collars ("swap derivative products"); in acting as a broker or agent with respect to the foregoing transactions or instruments; and in acting as an advisor to institutional customers regarding financial strategies involving interest rate and currency swaps and swap derivative products; *Swiss Bank Corporation*, 81 Fed. Res. Bull. 185 (1995); *The Long-Term Credit Bank of Japan*, 79 Fed. Res. Bull. 345 (1993); *The Sumitomo Bank, Limited*, 75 Fed. Res. Bull. 582 (1989).

Board of Governors of the Federal Reserve System, November 26, 1996.

Jennifer J. Johnson,

Deputy Secretary of the Board.

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[Docket No. R-0941]

Federal Reserve Bank Services; Notice

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Notice.

SUMMARY: The Board has approved a private sector adjustment factor (PSAF) for 1997 of \$101.5 million, as well as the fee schedules for Federal Reserve priced services and electronic connections. These actions were taken in accordance with the requirements of the Monetary Control Act of 1980, which requires that, over the long run, fees for Federal Reserve priced services be established on the basis of all direct and indirect costs, including the PSAF.

DATES: The PSAF and the fee schedules become effective on January 2, 1997.

FOR FURTHER INFORMATION CONTACT: For questions regarding the private sector adjustment factor: Elizabeth Tacik, Accountant, (202/452-2303), Division of Reserve Bank Operations and Payment

Systems; for questions regarding the fee schedules: Julius Weyman, Financial Services Analyst, Check Payments, (202/452-5223), Scott Knudson, Senior Financial Services Analyst, ACH Payments, (202/452-3959), Darrell Mak, Financial Services Analyst, Funds Transfer and Book-Entry Securities Services, (202/452-3223), Anne Paulin, Senior Information Technology Analyst (electronic connections), (202/452-2560), Michael Bermudez, Financial Services Analyst, Noncash Collection Service, (202/452-2216), or Kate Connor, Senior Financial Services Analyst, Special Cash Services, (202/452-3917), Division of Reserve Bank Operations and Payment Systems. For users of Telecommunications Device for the Deaf (TDD) *only*, please contact Dorothea Thompson (202/452-3544).

Copies of the 1997 fee schedules for the check, automated clearing house (ACH), funds transfer and net settlement, book-entry securities, noncash collection, and special cash services, as well as electronic connections to Reserve Banks, are available from the Reserve Banks.

SUPPLEMENTARY INFORMATION:

I. Private Sector Adjustment Factor

A. Overview

The Board has approved a 1997 PSAF for Federal Reserve priced services of \$101.5 million. This amount represents an increase of \$15.7 million or 18.3 percent from the PSAF of \$85.8 million targeted for 1996.

As required by the Monetary Control Act (12 U.S.C. 248a), the Federal Reserve's fee schedule for priced services includes "taxes that would have been paid and the return on capital that would have been provided had the services been furnished by a private business firm." These imputed costs are based on data developed in part from a model comprised of the nation's 50 largest (in asset size) bank holding companies (BHCs).

The methodology first entails determining the value of Federal Reserve assets that will be used in producing priced services during the coming year. Short-term assets are assumed to be financed by short-term liabilities; long-term assets are assumed to be financed by a combination of long-term debt and equity derived from the BHC model.

Imputed capital costs are determined by applying related interest rates and rates of return on equity (ROE) derived from the bank holding company model. The rates drawn from the BHC model are based on consolidated financial data for the 50 largest BHCs in each of the