

FEDERAL RESERVE SYSTEM**Formations of, Acquisitions by, and Mergers of Bank Holding Companies**

The companies listed in this notice have applied to the Board for approval, pursuant to the Bank Holding Company Act of 1956 (12 U.S.C. 1841 *et seq.*) (BHC Act), Regulation Y (12 CFR Part 225), and all other applicable statutes and regulations to become a bank holding company and/or to acquire the assets or the ownership of, control of, or the power to vote shares of a bank or bank holding company and all of the banks and nonbanking companies owned by the bank holding company, including the companies listed below.

The applications listed below, as well as other related filings required by the Board, are available for immediate inspection at the Federal Reserve Bank indicated. The application also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the standards enumerated in the BHC Act (12 U.S.C. 1842(c)). If the proposal also involves the acquisition of a nonbanking company, the review also includes whether the acquisition of the nonbanking company complies with the standards in section 4 of the BHC Act. Unless otherwise noted, nonbanking activities will be conducted throughout the United States.

Unless otherwise noted, comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than June 14, 1999.

A. Federal Reserve Bank of Richmond (A. Linwood Gill III, Assistant Vice President) 701 East Byrd Street, Richmond, Virginia 23261-4528:
1. *HCNB Bancorp, Inc.*, Rockville, Maryland; to become a bank holding company by acquiring 100 percent of the voting shares of Harbor Capital National Bank, Rockville, Maryland (in organization).

2. *M&F Bancorp, Inc.*, Durham, North Carolina; to become a bank holding company by acquiring 100 percent of the voting shares of Merchants and Farmers Bank, Durham, North Carolina.

B. Federal Reserve Bank of St. Louis (Randall C. Sumner, Vice President) 411 Locust Street, St. Louis, Missouri 63102-2034:

1. *South Central Bancshares of Kentucky, Inc.*, Horse Cave, Kentucky; to become a bank holding company by acquiring 100 percent of the voting shares of South Central Bancshares of River City, Inc., Owensboro, Kentucky, and thereby indirectly acquire South Central Bank of Daviess County, Inc.,

Owensboro, Kentucky; First United Bancshares, Inc., Glasgow, Kentucky, and thereby indirectly acquire South Central Bank of Barren County, Inc., Glasgow, Kentucky; and United Central Bancshares, Inc., Bowling Green, Kentucky, and thereby indirectly acquire South Central Bank of Bowling Green, Inc., Bowling Green, Kentucky.

In connection with this application, South Central Bancshares of River City, Inc., Owensboro, Kentucky; also has applied to become a bank holding company by acquiring 100 percent of the voting shares of South Central Bank of Daviess County, Inc., Owensboro, Kentucky.

Board of Governors of the Federal Reserve System, May 17, 1999.

Robert deV. Frierson,

Associate Secretary of the Board.

[FR Doc. 99-12833 Filed 5-20-99; 8:45 am]

BILLING CODE 6210-01-F

FEDERAL RESERVE SYSTEM**Formations of, Acquisitions by, and Mergers of Bank Holding Companies; Correction**

This notice corrects a notice (FR Doc. 99-12291) published on page 26759 of the issue for Monday, May 17, 1999.

Under the Federal Reserve Bank of Chicago heading, the entry for Republic Bancorp, Ann Arbor, Michigan, is revised to read as follows:

A. Federal Reserve Bank of Chicago (Philip Jackson, Applications Officer) 230 South LaSalle Street, Chicago, Illinois 60690-1413:

1. *Republic Bancorp*, Ann Arbor, Michigan; to acquire D&N Bank, Hancock, Michigan, upon conversion from a federally-chartered savings bank to a state chartered savings bank.

Comments on this application must be received by June 1, 1999.

Board of Governors of the Federal Reserve System, May 17, 1999.

Robert deV. Frierson,

Associate Secretary of the Board.

[FR Doc. 99-12834 Filed 5-20-99; 8:45 am]

BILLING CODE 6210-01-F

FEDERAL RESERVE SYSTEM

[Docket No. R-1037]

Modifying Federal Reserve ACH Operations and Pricing Practices Relative to Private-Sector ACH Operators

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Notice; request for comments.

SUMMARY: The Board requests comment on the benefits and drawbacks of modifying the Federal Reserve Banks' pricing practices and deposit deadlines for ACH transactions they exchange with private-sector ACH operators. These modifications may have implications for competition in the provision of ACH services, for the efficiency of the ACH system, and for long-term ACH volume growth.

DATES: Comments must be submitted on or before August 6, 1999.

ADDRESSES: Comments should refer to Docket No. R-1037 and may be mailed to Ms. Jennifer J. Johnson, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, N.W., Washington, D.C. 20551. Comments may also be delivered to the Board's mail room between 8:45 a.m. and 5:15 p.m. on weekdays, and to the security control room at all other times. The mail room and the security control rooms are accessible from the courtyard entrance on 20th Street between Constitution Avenue and C Street, N.W. Comments will be available for inspection and copying by members of the public in the Freedom of Information Office, Room MP-500, between 9:00 a.m. and 5:00 p.m. weekdays, except as provided in Section 261.8 of the Board's Rules Regarding Availability of Information. **FOR FURTHER INFORMATION CONTACT:** Jack K. Walton II, Manager (202/452-2660); Michele Braun, Project Leader (202/452-2819); or Jeffrey S. H. Yeganeh, Senior Financial Services Analyst (202/728-5801); for the hearing impaired *only*, contact Diane Jenkins, Telecommunication Device for the Deaf (TDD) (202/452-3544).

SUPPLEMENTARY INFORMATION:**I. Background**

The Federal Reserve Banks are collectively the largest ACH operator, processing more than 80 percent of commercial interbank ACH transactions as well as all ACH transactions initiated by the Federal government. Private-sector ACH operators (PSOs) process the remaining transactions and typically provide services, including processing and settling ACH transactions, similar to those offered by the Reserve Banks.¹ PSOs also use the Reserve Banks' ACH

¹ The National Automated Clearing House Association is currently considering modifications to its definition of an ACH operator. For the purposes of this notice, a PSO is considered to be any entity that provides ACH services similar to those of the Reserve Banks. Currently, Electronic Payments Network (formerly, New York Automated Clearing House), Visa, and American Clearing House are considered, within the industry, to be private-sector operators.