

FEDERAL RESERVE SYSTEM

Proposed Agency Information Collection Activities; Comment Request

AGENCY: Board of Governors of the Federal Reserve System

SUMMARY: Background. On June 15, 1984, the Office of Management and Budget (OMB) delegated to the Board of Governors of the Federal Reserve System (Board) its approval authority under the Paperwork Reduction Act (PRA), as per 5 CFR 1320.16, to approve of and assign OMB control numbers to collection of information requests and requirements conducted or sponsored by the Board under conditions set forth in 5 CFR 1320 Appendix A.1. Board-approved collections of information are incorporated into the official OMB inventory of currently approved collections of information. Copies of the Paperwork Reduction Act Submission, supporting statements and approved collection of information instruments are placed into OMB's public docket files. The Federal Reserve may not conduct or sponsor, and the respondent is not required to respond to, an information collection that has been extended, revised, or implemented on or after October 1, 1995, unless it displays a currently valid OMB control number.

Request for comment on information collection proposals

The following information collections, which are being handled under this delegated authority, have received initial Board approval and are hereby published for comment. At the end of the comment period, the proposed information collections, along with an analysis of comments and recommendations received, will be submitted to the Board for final approval under OMB delegated authority. Comments are invited on the following:

a. Whether the proposed collection of information is necessary for the proper performance of the Federal Reserve's functions; including whether the information has practical utility;

b. The accuracy of the Federal Reserve's estimate of the burden of the proposed information collection, including the validity of the methodology and assumptions used;

c. Ways to enhance the quality, utility, and clarity of the information to be collected; and

d. Ways to minimize the burden of information collection on respondents, including through the use of automated collection techniques or other forms of information technology.

DATES: Comments must be submitted on or before August 4, 2008.

ADDRESSES: You may submit comments, identified by *FR H-6; FR 2030, FR 2030a, FR 2056, FR 2086a, FR 2087, and FR 2083; or FR Y-6, FR Y-7, and FR Y-10*, by any of the following methods:

- Agency Web Site: <http://www.federalreserve.gov>. Follow the instructions for submitting comments at <http://www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm>.
- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- E-mail: regs.comments@federalreserve.gov. Include docket number in the subject line of the message.
- FAX: 202/452-3819 or 202/452-3102.
- Mail: Jennifer J. Johnson, Secretary, Board of Governors of the Federal Reserve

System, 20th Street and Constitution Avenue, N.W., Washington, DC 20551.

All public comments are available from the Board's web site at

www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm as submitted, unless modified for technical reasons. Accordingly, your comments will not be edited to remove any identifying or contact information. Public comments may also be viewed electronically or in paper form in Room MP-500 of the Board's Martin Building (20th and C Streets, N.W.) between 9:00 a.m. and 5:00 p.m. on weekdays.

Additionally, commenters should send a copy of their comments to the OMB Desk Officer by mail to the Office of Information and Regulatory Affairs, U.S. Office of Management and Budget, New Executive Office Building, Room 10235, 725 17th Street, NW., Washington, DC 20503 or by fax to 202-395-6974.

FOR FURTHER INFORMATION CONTACT: A copy of the PRA OMB submission including, the proposed reporting form and instructions, supporting statement, and other documentation will be placed into OMB's public docket files, once approved. These documents will also be made available on the Federal Reserve Board's public website at: <http://www.federalreserve.gov/boarddocs/reportforms/review.cfm> or may be requested from the agency clearance officer, whose name appears below.

Michelle Shore, Federal Reserve Board Clearance Officer (202-452-3829), Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, DC 20551. Telecommunications Device for the Deaf (TDD) users may contact (202-263-4869), Board of Governors of the Federal Reserve System, Washington, DC 20551.

Proposal to approve under OMB delegated authority the extension for three years, without revision, of the following reports:

Report title: Notifications Related to Community Development and Public Welfare Investments of State Member Banks

Agency form number: FR H-6

OMB control number: 7100-0278

Frequency: Event-generated

Reporters: state member banks

Annual reporting hours: 86

Estimated average hours per response: Investment notice, 2 hours; Application (Prior Approval) 5 hours; and Extension of divestiture period, 5 hours.

Number of respondents: Investment notice, 38; Application (Prior Approval) 1; and Extension of divestiture period, 1.

General description of report: This information collection is required to obtain a benefit (12 USC 338a, and 12 CFR 208.22). Individual respondent data generally are not regarded as confidential, but information that is proprietary or concerns examination ratings would be considered confidential.

Abstract: Regulation H requires state member banks that want to make community development or public welfare investments to comply with the Regulation H notification requirements: (1) if the investment does not require prior Board approval, a written notice must be sent to the appropriate Federal Reserve Bank; (2) if certain criteria are not met, a request for approval must be sent to the appropriate Federal Reserve Bank; and, (3) if the Board orders divestiture but the bank cannot divest within the established time

limit, a request or requests for extension of the divestiture period must be submitted to the appropriate Federal Reserve Bank.

Proposal to approve under OMB delegated authority the extension for three years, with revision, of the following reports:

1. *Report title:* Report of Changes in Organizational Structure, Supplement to the Report of Changes in Organizational Structure, Annual Report of Bank Holding Companies, and Annual Report of Foreign Banking Organizations

Agency form numbers: FR Y-10, FR Y-10E, FR Y-6, and FR Y-7

OMB control number: 7100-0297

Frequency: Event-generated, annual

Reporters: Bank holding companies (BHCs), foreign banking organizations (FBOs), member banks, Edge and agreement corporations

Annual reporting hours: FR Y-10, 26,712 hours; FR Y-10E, 1,384 hours; FR Y-6, 27,069 hours; FR Y-7, 900 hours

Estimated average hours per response: FR Y-10, 1.00 to 1.25 hours; FR Y-10E, 0.50 hours; FR Y-6, 5.25 hours; FR Y-7, 3.50 hours

Number of respondents: FR Y-10, 5,952; FR Y-10E, 2,768; FR Y-6, 5,156; FR Y-7, 257

General description of report: These information collections are mandatory under the Federal Reserve Act, the BHC Act, and the International Banking Act (12 U.S.C. 248 (a)(1), 321, 601, 602, 611a, 615, 625, 1843(k), 1844(c)(1)(A), 3106(a), and 3108(a)), and Regulations K and Y (12 CFR 211.13(c), 225.5(b), and 225.87). Individual respondent data are not considered confidential. However, respondents may request confidential

treatment for any information that they believe is subject to an exemption from disclosure under the FOIA, 5 U.S.C. 552(b).

Abstract: The FR Y-10 is an event-generated information collection submitted by FBOs; top-tier BHCs; state member banks unaffiliated with a BHC; Edge and agreement corporations that are not controlled by a member bank, a domestic BHC, or a FBO; and nationally chartered banks that are not controlled by a BHC (with regard to their foreign investments only), to capture changes in their regulated investments and activities. The Federal Reserve uses the data to monitor structure information on subsidiaries and regulated investments of these entities engaged in banking and nonbanking activities. The FR Y-10E is a free-form supplement that may be used to collect additional structural information deemed to be critical and needed in an expedited manner.

The FR Y-6 is an annual information collection submitted by top-tier BHCs and nonqualifying FBOs. It collects financial data, an organization chart, verification of domestic branch data, and information about shareholders. The Federal Reserve uses the data to monitor holding company operations and determine holding company compliance with the provisions of the Bank Holding Company Act (BHC Act) and Regulation Y (12 CFR 225).

The FR Y-7 is an annual information collection submitted by qualifying FBOs to update their financial and organizational information with the Federal Reserve. The Federal Reserve uses information to assess an FBO's ability to be a continuing source of strength to its U.S. operations and to determine compliance with U.S. laws and regulations.

Current Actions: The following revisions would be effective December 31, 2008

Tax Identification Number (Tax ID) (FR Y-10)

The Federal Reserve proposes to collect the Tax ID for all reportable banking and nonbanking entities located in the United States. The Federal Reserve would use the Tax ID to identify lenders for the Shared National Credit modernization project. Also, the Federal Reserve would use the Tax ID to link to entities' data stored on the Financial Crimes Enforcement Network (FinCEN)'s¹ BSA Direct System (such as Suspicious Activity Reports² and Currency Transaction Reports³) to monitor Bank Secrecy Act (BSA) and anti-money laundering compliance. Finally, the Federal Reserve would use the Tax ID to match market and regulatory data for market discipline research.

Obtaining Tax ID data from a public source is ineffective since the quality of these data is low. There would be a one-time information collection to populate the Tax ID data, as of December 31, 2008. Respondents would submit this information no later than March 31, 2009, initially and then thirty days after a change going forward. The Federal Reserve would provide a means for institutions to provide their initial data in a format easier for respondents to submit than individual FR Y-10 reports.

Information Regarding Individuals (FR Y-6 and FR Y-7)

The FR Y-6 and FR Y-7 reporting forms collect details on individual shareholders and insiders of reporters. Reporters occasionally submit more information than is required (for example, personal home addresses, social security numbers, and extraneous commercial and financial information), and some of the details provided can be highly

¹ FinCEN is a part of the U.S. Treasury Department.

² Federal Reserve reporting form FR 2230; OMB No. 7100-0212.

³ FinCEN reporting form 104; OMB No. 1506-0004.

sensitive. Reporters rarely request confidential treatment for this information, even where it appears that the information could and should be withheld from disclosure under the Freedom of Information Act (FOIA), 5 U.S.C. § 552.

Reporters ultimately should take appropriate measures to safeguard the confidentiality of information they provide to the Federal Reserve, including details regarding individuals. In this context, it is incumbent upon reporters to request confidential treatment for information that may be subject to withholding under one or more of the FOIA exemptions from disclosure, in accordance with the Board's Rules Regarding Availability of Information (the Board's Rules), 12 CFR Part 261. The Federal Reserve expects reporters to ensure that they have the legal authority to provide information regarding individuals to the Federal Reserve and, on behalf of each individual, to consent or object to public release of the information. The method of obtaining an individual's consent and the adequacy of an individual's consent are legal issues to be resolved by the reporter. The Federal Reserve presumes legally adequate consent exists unless the reporter expressly represents otherwise.

The Federal Reserve seeks to avoid releases of sensitive personally identifying information regarding individuals. The extraneous information provided by some reporters at times includes these types of information. Copies of the FR Y-6 and FR Y-7 filings are frequently requested by members of the public.

The Federal Reserve proposes to modify the FR Y-6 and FR Y-7 reporting forms to highlight for reporters issues surrounding the submission of information on individuals. Accordingly, the Federal Reserve proposes to add language to this effect to the reporting instructions and cover page of the FR Y-6 and FR Y-7. Under these

modifications, the Federal Reserve will assume, in the absence of a request for confidential treatment submitted in accordance with the Board's Rules, that the reporter and individual consent to public release of all details in the report concerning that individual.

2. Report title: Application for Membership in the Federal Reserve System

Agency form number: FR 2083, 2083A, 2083B, and 2083C

OMB control number: 7100-0046

Frequency: On occasion

Reporters: Newly organized banks that seek to become state member banks, or existing banks or savings institutions that seek to convert to state member bank status

Annual reporting hours: 260 hours

Estimated average hours per response: 4 hours

Number of respondents: 65

General description of report: This information collection is authorized by Section 9 of the Federal Reserve Act (12 U.S.C. §§321, 322, and 333) and is required to obtain or retain a benefit. Most individual respondent data are not considered confidential.

Applicants may, however, request that parts of their membership applications be kept confidential, but in such cases the Applicant must justify its request by demonstrating how an exemption under the Freedom of Information Act (FOIA) is satisfied. The confidentiality status of the information submitted will be judged on a case-by-case basis.

Abstract: The application for membership is a required one-time submission that collects the information necessary for the Federal Reserve to evaluate the statutory criteria for

admission of a new or existing state bank into membership in the Federal Reserve System. The application collects managerial, financial, and structural data.

Current actions: The current cover page would be revised as follows:

- the reference to draft and final applications would be deleted as the Federal Reserve no longer accepts complete draft applications for review,
- four check boxes would be added to facilitate treatment of the submitted filing under the FOIA,
- the personal information requested of the contact person(s) would be revised to require an available e-mail address, and
- several other technical edits would be made to reflect current application and reporting form references and practices.

The Federal Reserve proposes to replace the Confidentiality section in its entirety with language developed by the Board's Legal Division. The new section would state that an Applicant may rely upon more than two types of FOIA exemptions to prevent applications information from being disclosed to the public and more clearly explains how information related to an individual associated with a proposal should be presented to the Federal Reserve. As a complement to those changes, a new filing certification section would be added that requires an Applicant to confirm the nature of the information being submitted in the application and recognize how the submitted information may be treated under the FOIA. The Board's Legal Division believes that receiving the certification at the time of submission would facilitate the disclosure of relevant information to the public and reduce the processing delays that result from uncertainties about what information is eligible for disclosure under the FOIA. Two

sections (Related Applications and Preliminary Charter Approval) would be deleted as the guidance in those sections has been incorporated into other sections of the instructions.⁴

Section I (De Novo Bank) of the FR 2083 application form would be revised to state that the Federal Reserve need not receive a copy of the electronic version of the Interagency Charter and Federal Deposit Insurance Application (ICFDA) that is prepared for and submitted to other banking agencies. This proposed revision is made in recognition of the fact that the Federal Reserve expects in 2009 to be able to accept all applications electronically. Such membership applications would include the ICFDA materials.

The Federal Reserve proposes to clarify certain information requests in Section II (Currently Operating Bank). The clarifications would assist an Applicant in better explaining the contemplated financial and managerial changes and structure that may result from the membership proposal. These clarifications include the following: in current question 7, the request for certain authority(ies) would help identify the need for other related applications earlier in the applications review process and therefore facilitate more timely review and action on the proposed transaction. The Federal Reserve proposes one minor clarification to Section III (Non-Operating Bank) to emphasize that an Applicant needs to disclose both financial and managerial changes resulting from a membership proposal.

⁴ In this regard, an Applicant no longer has to wait for preliminary charter approval before filing a membership application, but the timing of other related applications is less certain. The instructions now encourage an Applicant to contact the appropriate Reserve Bank to determine when all such related applications should be filed.

The FR 2083A would be revised to reflect the possible negative adjustment to a bank's total face amount of capital and surplus data that might be necessary to calculate the appropriate level of Federal Reserve Bank stock to be purchased. Footnote 1 would be expanded to explain the possible adjustment. Several technical edits would be made to the FR 2083B and the FR 2083C.⁵

3. *Report title:* Applications for Subscription to, Adjustment in the Holding of, and Cancellation of Federal Reserve Bank Stock

Agency form number: FR 2030, FR 2030a, FR 2056, FR 2086, FR 2086a, FR 2087

OMB control number: 7100-0042

Frequency: On occasion

Reporters: National, state member, and nonmember banks

Annual reporting hours: FR 2030, 15 hours; FR 2030a, 26 hours; FR 2056, 864 hours; FR 2086, 1 hours; FR 2086a, 18 hours FR 2087, 2 hours

Estimated average hours per response: .5 hours

Number of respondents: FR 2030, 30; FR 2030a, 52; FR 2056, 1,728; FR 2086, 2; FR 2086a, 36; FR 2087, 4

General description of report: These information collections are mandatory.

- FR 2030 and FR 2030a: (12 U.S.C. §§ 222, 282, 248(a) and 321)
- FR 2056: (12 U.S.C. §§ 287, 248(a) and (i))
- FR 2086: (12 U.S.C. §§ 287, 248(a) and (i))
- FR 2086a: (12 U.S.C. §§ 321, 287, 248(a))
- FR 2087: (12 U.S.C. §§ 288, 248 (a) and (i))

⁵ The title of Cashier has been added to two signature lines in the FR 2083B for consistency with the other stock application forms and the reference to Regulation H in the FR 2083C has been changed to Regulation I for accuracy purposes.

Most individual respondent data are not considered confidential. Applicants may, however, request that parts of their membership applications be kept confidential, but in such cases the Applicant must justify its request by demonstrating how an exemption under the Freedom of Information Act (FOIA) is satisfied. The confidentiality status of the information submitted will be judged on a case-by-case basis.

Abstract: These application forms are required by the Federal Reserve Act and Regulation I. These forms must be used by a new or existing member bank (including a national bank) to request the issuance, and adjustment in, or cancellation of Federal Reserve Bank stock. The forms must contain certain certifications by the applicants, as well as certain other financial and shareholder data that is needed by the Federal Reserve to process the request.

Current actions: The Federal Reserve proposes no revisions to the FR 2086 and 2087. The revisions proposed to the remaining four application forms (the FR 2030, 2030a, 2056, and 2086a) are intended to facilitate the processing of each application form by the appropriate Reserve Bank and the calculation of the appropriate Federal Reserve Bank stock to be purchased or adjusted. Additional signature lines would be added to all four application forms to ensure that they are signed by at least one individual listed with the appropriate Reserve Bank (as having the authority to submit accounting- and other reporting-related materials on behalf of the bank) in the event that the senior officials required to authorize the purchase or adjustment, under the Federal Reserve Act, are not listed.

On the FR 2056, the Federal Reserve proposes to clarify the appropriate components of capital and surplus used in the Federal Reserve Bank stock calculation

and to more clearly explain the possible negative capital adjustment within those calculations. In addition, the references in the accompanying worksheet would fully correspond to the Consolidated Reports of Condition and Income (FFIEC 031 and 041; OMB No. 7100-0036) data items filed by commercial banks. The references to Sinking Fund preferred stocks would be deleted as these instruments are generally no longer issued and may no longer qualify as regulatory capital.

Board of Governors of the Federal Reserve System, May 29, 2008.

(signed)

Jennifer J. Johnson,
Secretary of the Board.