



Federal Register

**Monday,
December 11, 2006**

Part LIV

Federal Reserve System

Semiannual Regulatory Agenda

FEDERAL RESERVE SYSTEM (FRS)

FEDERAL RESERVE SYSTEM

12 CFR Ch. II

Semiannual Regulatory Flexibility Agenda

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Semiannual regulatory agenda.

SUMMARY: The Board is issuing this agenda under the Regulatory Flexibility Act and the Board's Statement of Policy Regarding Expanded Rulemaking Procedures. The Board anticipates having under consideration regulatory matters as indicated below during the period November 1, 2006, through April 30, 2007. The next agenda will be published in spring 2007.

DATES: Comments about the form or content of the agenda may be submitted any time during the next 6 months.

ADDRESSES: Comments should be addressed to Jennifer J. Johnson, Secretary of the Board, Board of Governors of the Federal Reserve System, Washington, DC 20551.

FOR FURTHER INFORMATION CONTACT: A staff contact for each item is indicated with the regulatory description below.

SUPPLEMENTARY INFORMATION: The Board is publishing its fall 2006 agenda as part of the Fall 2006 Unified Agenda of Federal Regulatory and Deregulatory Actions, which is coordinated by the Office of Management and Budget under Executive Order 12866. The agenda also identifies rules the Board has selected for review under section 610(c) of the Regulatory Flexibility Act, and public comment is invited on those entries. Participation by the Board in the Unified Agenda is on a voluntary basis.

The Board's agenda is divided into three sections. The first, Proposed Rule

Stage, reports on matters the Board may consider for public comment during the next 6 months. The second section, Final Rule Stage, reports on matters that have been proposed and are under Board consideration. A third section, Long-Term Actions, reports on matters that have been proposed and are under Board consideration, but will not be completed within the next year. And a fourth section, Completed Actions, reports on regulatory matters the Board has completed or is not expected to consider further. Matters begun and completed between issues of the agenda have not been included.

A dot (•) preceding an entry indicates a new matter that was not a part of the Board's previous agenda and which the Board has not completed.

Margaret McCloskey Shanks,
Associate Secretary of the Board.

Federal Reserve System—Proposed Rule Stage

Sequence Number	Title	Regulation Identifier Number
4005	Regulation: H—Membership of State Banking Institutions in the Federal Reserve System	7100-AC73
4006	Regulation: H—Membership of State Banking Institutions in the Federal Reserve System; and Regulation: Y—Bank Holding Companies and Change in Bank Control, Capital Appendices (Section 610 Review)	7100-AC88
4007	Regulation: Y—Bank Holding Companies and Change in Bank Control	7100-AC66
4008	Regulation Z—Truth in Lending (Docket Number R-1217)	7100-AC97

Federal Reserve System—Final Rule Stage

Sequence Number	Title	Regulation Identifier Number
4009	Regulation D—Reserve Requirements of Depository Institutions (Docket Number: R-1262)	7100-AD04
4010	Regulation E—Electronic Funds Transfers (Docket Number: R-1247)	7100-AD01
4011	Regulation: H—Membership of State Banking Institutions in the Federal Reserve System (Docket Number: R-1064)	7100-AC69
4012	Regulation S—Threshold for the Requirement To Collect, Retain, and Transmit Information on Funds Transfers and Transmittals of Funds (Docket Number: R-1258)	7100-AD03
4013	Regulation: V—Fair Credit Reporting (Docket Number: R-1203)	7100-AC95
4014	Regulation: Y—Bank Holding Companies and Change in Bank Control (Docket Number: R-1094)	7100-AC81
4015	Regulation Y—Bank Holding Companies and Change in Bank Control, Capital Appendices (Docket Number: R-1235)	7100-AD02

Federal Reserve System—Long-Term Actions

Sequence Number	Title	Regulation Identifier Number
4016	Regulation: V—Fair Credit Reporting (Docket Number: R-1082)	7100-AC68

FRS

Federal Reserve System—Completed Actions

Sequence Number	Title	Regulation Identifier Number
4017	Regulation: H—Membership of State Banking Institutions in the Federal Reserve System; and Regulation: Y—Bank Holding Companies and Change in Bank Control (Docket Number: R-1087)	7100-AC75

Federal Reserve System (FRS)

Proposed Rule Stage

4005. REGULATION: H—MEMBERSHIP OF STATE BANKING INSTITUTIONS IN THE FEDERAL RESERVE SYSTEM

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: 12 USC 1828(t)

CFR Citation: 12 CFR 208

Legal Deadline: None

Abstract: Section 204 of the Gramm-Leach-Bliley Act added a new subsection (t) to section 18 of the Federal Deposit Insurance Act requiring the Board, in consultation with the Securities and Exchange Commission, to establish record keeping requirements for state member banks and branches and agencies of foreign banks that rely on the exceptions from the definition of broker or dealer provided in section 3(a)(4) or (5) of the Securities Exchange Act of 1934.

The Board anticipates issuing for public comment a rule that would implement these record keeping requirements. The Board notes that the Securities and Exchange Commission has, by rule, delayed the effective date of the new exemptions for banks contained in section 3(a)(4) of the Securities Exchange Act of 1934, and has requested public comment on revised rules to implement the “broker” exception in section 3(a)(4) of the Securities and Exchange Act. (See 60 FR 39682 (June 20, 2004) and 70 FR 54596 (September 15, 2005)). In light of these developments, the Board has delayed adopting a record keeping rule pending action by the Securities and Exchange Commission. It is not anticipated that the Board’s proposal, when issued, would have a significant economic impact on a substantial number of small entities subject to the Board’s regulation.

Timetable:

Action	Date	FR Cite
Board requested comment	06/30/04	69 FR 39682
Board will consider requesting additional comment by	12/00/06	

Regulatory Flexibility Analysis Required: No

Government Levels Affected: None

Federalism: Undetermined

Agency Contact: Kieran J. Fallon, Assistant General Counsel, Federal Reserve System, Legal Division
Phone: 202 452-5270

RIN: 7100-AC73

4006. REGULATION: H—MEMBERSHIP OF STATE BANKING INSTITUTIONS IN THE FEDERAL RESERVE SYSTEM; AND REGULATION: Y—BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL, CAPITAL APPENDICES (SECTION 610 REVIEW)

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 24 to 24a; 12 USC 36; 12 USC 92a; . . .

CFR Citation: 12 CFR 208 app A; 12 CFR 208 app D; 12 CFR 208 app E; 12 CFR 225 app A; 12 CFR 225 app D; 12 CFR 225 app E

Legal Deadline: None

Abstract: The capital appendices to Regulations H and Y set forth guidelines for institutions in calculating their regulatory capital requirements, both risk-based and leveraged.

The guidelines are continuously monitored and updated as required to reflect market innovations, accounting changes, or modifications to supervisory policy. In August 2003, the Board along with the other Federal

banking agencies issued an advance notice of proposed rulemaking (ANPRM) seeking public comment on a range of possible modifications to the risk-based capital rules developed in conjunction with on-going revisions to the Basel Accord. After considering comments received on the ANPRM, the Board and the other Federal banking agencies expect to publish a notice of proposed rulemaking (NPRM) in the second half of 2006 that would require some and permit other qualifying banking organizations to use an internal ratings-based approach to calculate regulatory credit risk capital requirements and advanced measurement approaches to calculate regulatory operational risk capital requirements.

The Board approved requesting comment on the NPRM at a public meeting on March 30, 2006. The Board is currently waiting for the FDIC Board to approve the NPR before publication in the Federal Register.

Timetable:

Action	Date	FR Cite
Board Requested Comment	09/25/06	71 FR 55830
Board To Consider Additional Action	07/00/07	

Regulatory Flexibility Analysis Required: No

Small Entities Affected: Businesses

Government Levels Affected: None

Federalism: Undetermined

Agency Contact: Barbara Bouchard, Deputy Associate Director, Federal Reserve System, Division of Banking Supervision and Regulation
Phone: 202 452-3072

RIN: 7100-AC88

FRS

Proposed Rule Stage

4007. REGULATION: Y—BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL**Priority:** Substantive, Nonsignificant**Legal Authority:** 12 USC 1844(b)**CFR Citation:** 12 CFR 225**Legal Deadline:** None

Abstract: Title I of the Gramm-Leach-Bliley Act (GLB Act) makes a number of miscellaneous amendments to sections 3, 4, and 5 of the Bank Holding Company Act of 1956 (BHC Act) and adds a new section 10A to the BHC Act. These amendments, among other things, prohibit the Board from determining that new activities are closely related to banking under section 4(c)(8) of the BHC Act; streamline the Board's reporting, examination, and other supervisory authority over bank holding companies and their subsidiaries; reduce the restrictions applicable to companies that control "nonbank banks" that are exempt from the nonbanking restrictions of the BHC Act under section 4(f) of that Act; and repeal the savings bank life insurance provisions currently set forth in section 3(g) of the BHC Act.

The Board will consider issuing for public comment amendments to Regulation Y to implement the provisions of the GLB Act affecting the BHC Act that have not previously been addressed in rules adopted by the Board. The Board will also consider issuing for public comment a proposed series of technical changes to Regulation Y necessitated by the GLB Act, as well as a general reorganization of Regulation Y. It is not anticipated

that the proposals will have a significant economic impact on a substantial number of small entities subject to the Board's regulation.

Timetable:

Action	Date	FR Cite
Board will consider requesting comment by	07/00/07	

Regulatory Flexibility Analysis Required: No**Government Levels Affected:** None**Federalism:** Undetermined**Agency Contact:** Andrew S. Baer, Counsel, Federal Reserve System, Legal Division

Phone: 202 452-2246

RIN: 7100-AC66**4008. REGULATION Z—TRUTH IN LENDING (DOCKET NUMBER R-1217)****Priority:** Substantive, Nonsignificant**Legal Authority:** 15 USC 1601 et seq**CFR Citation:** 12 CFR 226 et seq**Legal Deadline:** None

Abstract: In December 2004, the Board published an advance notice of proposed rulemaking (ANPRM) to commence a review of the open-end (revolving) credit rules of the Board's Regulation Z, which implements the Truth in Lending Act (TILA), and the regulation's official staff commentary. The Board periodically reviews each of its regulations to update them, if necessary.

The ANPRM seeks comment on a variety of specific issues relating to

three broad categories: the format of open-end credit disclosures, the content of the disclosures, and the substantive protections provided under the regulations. It solicits comments on the scope of the review, and also requests commenters to identify other issues that the Board should consider addressing in the review.

In October 2005, the Board published a second ANPRM that seeks comment on issues relating to the implementation of amendments to TILA contained in federal bankruptcy reform legislation. The Board plans to incorporate the implementation of these TILA amendments into the Regulation Z review.

Timetable:

Action	Date	FR Cite
Board requested comment	12/08/04	69 FR 70925
Board requested additional comments	10/17/05	70 FR 60235
Further Board action by	03/00/07	

Regulatory Flexibility Analysis Required: No**Small Entities Affected:** Businesses**Government Levels Affected:** None**Federalism:** Undetermined**Agency Contact:** Jane Ahrens, Senior Counsel, Federal Reserve System, Division of Consumer and Community Affairs

Phone: 202 452-3667

RIN: 7100-AC97

Federal Reserve System (FRS)

Final Rule Stage

4009. • REGULATION D—RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS (DOCKET NUMBER: R-1262)**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.**Unfunded Mandates:** Undetermined**Legal Authority:** 12 USC 248a; 12 USC 371a; 12 USC 461; 12 USC 601; 12 USC 611**CFR Citation:** 12 CFR 204**Legal Deadline:** None

Abstract: The Board proposes to revise its 1980 interpretation of Regulation D setting forth criteria for the criteria for the "bankers' bank" exemption from reserve requirements. The proposed revisions would authorize the Board to determine, on a case by case basis, whether certain entities not already expressed authorized in the interpretation may become customers to a limited extent of bankers' bank.

Timetable:

Action	Date	FR Cite
Board requested comment	08/14/06	71 FR 46411
Further Board action by	01/00/07	

Regulatory Flexibility Analysis Required: Undetermined**Government Levels Affected:** None**Federalism:** Undetermined**Agency Contact:** Heatherun Allison, Senior Counsel, Federal Reserve System, Legal Division

FRS

Final Rule Stage

Phone: 202 452-3565

RIN: 7100-AD04

4010. REGULATION E—ELECTRONIC FUNDS TRANSFERS (DOCKET NUMBER: R-1247)**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.**Unfunded Mandates:** Undetermined**Legal Authority:** 12 USC 1693(a); 12 USC 1693(d)**CFR Citation:** 12 CFR 205.2; 12 CFR 205.18**Legal Deadline:** None**Abstract:** The interim final rule provides that payroll card accounts established directly or indirectly by an employer on behalf of a consumer to which electronic funds transfers of the consumer's salary, wages, or other employee compensation are made on a recurring basis are accounts covered by Regulation E.**Timetable:**

Action	Date	FR Cite
Interim Final Rule	01/10/06	71 FR 1473
Further Board action by	12/00/06	

Regulatory Flexibility Analysis**Required:** No**Small Entities Affected:** Businesses, Governmental Jurisdictions, Organizations**Government Levels Affected:** Local, State**Agency Contact:** Ky Tran-Trong, Senior Attorney, Federal Reserve System, Division of Consumer and Community Affairs
Phone: 202 452-3667

RIN: 7100-AD01

4011. REGULATION: H—MEMBERSHIP OF STATE BANKING INSTITUTIONS IN THE FEDERAL RESERVE SYSTEM (DOCKET NUMBER: R-1064)**Priority:** Substantive, Nonsignificant**Legal Authority:** 12 USC 335; 12 USC 1835a**CFR Citation:** 12 CFR 208**Legal Deadline:** None**Abstract:** In March 2000, the Board approved an interim rule with request for public comment amending Regulation H to implement section 121

of the Gramm-Leach-Bliley Act for state member banks (65 FR 14810, March 20, 2000). Section 121 in part authorizes state member banks to control, or hold an interest in, financial subsidiaries so as to conduct certain activities that are financial in nature or incidental to a financial activity. In August 2001, following review of the public comments, the Board adopted the final rule substantially as proposed (66 FR 42929, August 16, 2001).

The Board will also consider issuing for public comment a proposed rule in place of an existing Miscellaneous Interpretation (12 CFR 250.141) relating to member bank purchases of stock in operations subsidiaries to update its provisions and conform to section 121. It is not anticipated that the proposal will have a significant economic impact on a substantial number of small entities subject to the Board's regulation.

Timetable:

Action	Date	FR Cite
Board requested comment on interim rule	03/20/00	65 FR 14810
Board adopted interim rule	08/16/01	66 FR 42929
Board will consider requesting comment on replacement rule by	06/00/07	

Regulatory Flexibility Analysis**Required:** No**Government Levels Affected:** None**Federalism:** Undetermined**Agency Contact:** Patricia A. Robinson, Assistant General Counsel, Federal Reserve System, Legal Division
Phone: 202 452-3005

RIN: 7100-AC69

4012. • REGULATION S—THRESHOLD FOR THE REQUIREMENT TO COLLECT, RETAIN, AND TRANSMIT INFORMATION ON FUNDS TRANSFERS AND TRANSMITTALS OF FUNDS (DOCKET NUMBER: R-1258)**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.**Legal Authority:** 12 USC 1829b; 12 USC 1951**CFR Citation:** 12 CFR 219**Legal Deadline:** None**Abstract:** The Financial Crimes Enforcement Network (FinCEN) of the

Department of the Treasury and the Board of Governors of the Federal Reserve System (Board) are reviewing the threshold in the rule that triggers the obligation of banks and nonbank financial institutions to collect, retain, and transmit information on funds transfers and transmittals of funds. Currently, the requirement to collect, retain, and transmit information on funds transfers and transmittals of funds applies only to funds transfers and transmittals of funds in amounts of \$3,000 or more. FinCEN and the Board requested comment from the public, including law enforcement and financial institutions, to assess whether the potential benefit to law enforcement of a lower threshold outweighs the potential burden to financial institutions.

Timetable:

Action	Date	FR Cite
Request Board action by	12/00/06	

Regulatory Flexibility Analysis**Required:** Undetermined**Government Levels Affected:** Undetermined**Federalism:** Undetermined**Agency Contact:** James K. Owens, Manager, Wholesale Payments Section, Federal Reserve System
Phone: 202 728-5848

RIN: 7100-AD03

4013. REGULATION: V—FAIR CREDIT REPORTING (DOCKET NUMBER: R-1203)**Priority:** Substantive, Nonsignificant**Legal Authority:** 15 USC 1681 et seq**CFR Citation:** 12 CFR 222**Legal Deadline:** None**Abstract:** On December 4, 2003, the President signed into law the Fair and Accurate Credit Transactions Act of 2003 (FACT Act), Public Law 108-159, 117 Stat.1952, which amends the Fair Credit Reporting Act (FCRA). Section 214 of the FACT Act adds a new section 624 of the FCRA. This new provision gives consumers the right to restrict a person from using certain information about a consumer obtained from an affiliate to make solicitations to that consumer. That section also requires the Agencies, in consultation and coordination with each other, to issue regulations in final form

FRS

Final Rule Stage

implementing section 214 not later than 9 months after the date of enactment. These rules must become effective not later than 6 months after the date on which they are issued in final form.

The proposed rules were issued by the Board, the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Office of the Comptroller of the Currency, and the Office of Thrift Supervision. The Federal Trade Commission (FTC) and the Securities and Exchange Commission (SEC) are also required to issue regulations under new section 624 in consultation and coordination with the Agencies. The FTC published its proposed rule on June 15, 2004 (69 FR 33324), and the SEC published its proposed rule on July 8, 2004 (69 FR 42302).

Timetable:

Action	Date	FR Cite
Board requested comment	07/15/04	69 FR 42501
Board expects further action by	12/00/06	

Regulatory Flexibility Analysis**Required:** No**Small Entities Affected:** No**Government Levels Affected:**

Undetermined

Federalism: Undetermined

Agency Contact: David A. Stein, Counsel, Federal Reserve System, Division of Consumer and Community Affairs
Phone: 202 452-2412

RIN: 7100-AC95

4014. REGULATION: Y—BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL (DOCKET NUMBER: R-1094)

Priority: Substantive, Nonsignificant**Legal Authority:** 12 USC 1843**CFR Citation:** 12 CFR 225.86(e)**Legal Deadline:** None

Abstract: In December 2000, the Board, jointly with the Department of the Treasury, issued interim rules with request for public comment to implement section 4(k)(5) of the Bank

Holding Company Act and section 5136A(b)(3) of the Revised Statutes, which were added by the Gramm-Leach-Bliley Act (66 FR 257, January 3, 2001). The interim rules specify three general types of activities to be financial in nature or incidental to a financial activity, and create a mechanism by which financial holding companies, financial subsidiaries of national banks, or others may request that the Board or the Secretary of the Treasury, respectively, define particular activities within one of the three categories. Such activities would therefore be permissible for financial holding companies and financial subsidiaries of national banks. The rules are not expected to have a significant economic impact on a substantial number of small entities. Following review of the public comments, the Board will take further action.

Timetable:

Action	Date	FR Cite
Board requested comment	01/03/01	66 FR 257
Further Board action by	07/00/07	

Regulatory Flexibility Analysis**Required:** No**Small Entities Affected:** No**Government Levels Affected:** None**Federalism:** Undetermined

Agency Contact: Andrew S. Baer, Counsel, Federal Reserve System, Legal Division
Phone: 202 452-2246

RIN: 7100-AC81

4015. REGULATION Y—BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL, CAPITAL APPENDICES (DOCKET NUMBER: R-1235)

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.**Legal Authority:** 12 USC 1817(j)(13); 12 USC 1818; 12 USC 1828 (o); 12 USC 1831; . . .**CFR Citation:** 12 CFR 225; . . .**Legal Deadline:** None

Abstract: The capital appendices (appendices A & D) to Regulation Y set forth guidelines for institutions to calculate their regulatory capital requirements, both risk-based and leveraged. Appendix C, the Board's Small Bank Holding Company Policy Statement, sets forth guidelines facilitating the transfer of small banks and for exempting, under specific circumstances, certain small bank holding companies from the consolidated capital guidelines.

The guidelines are continuously monitored and revised as required to reflect market innovations, accounting changes, or modifications to supervisory policy. In February 2006, the Board revised the Small Bank Holding Company Policy Statement (Appendix C of Regulation Y) raising its asset size threshold from \$150 million to \$500 million and revising other criteria used in determining whether a small bank holding company may qualify for coverage under the Policy Statement. The Board also revised the asset threshold and other qualifying criteria for small bank holding companies that may be exempt from the capital guidelines (appendices A & D). The revisions were made in order to update the guidelines especially considering the impact of industry consolidation since the last Policy Statement was issued in 1980. The 2006 final rule was adopted substantially as proposed in 2005.

Timetable:

Action	Date	FR Cite
Board requested comment	09/08/05	70 FR 53320
Further Board action by	12/00/06	

Regulatory Flexibility Analysis**Required:** No**Government Levels Affected:** None

Agency Contact: Barbara Bouchard, Deputy Associate Director, Federal Reserve System, Division of Banking Supervision and Regulation
Phone: 202 452-3072

RIN: 7100-AD02

Federal Reserve System (FRS)

Long-Term Actions

4016. REGULATION: V—FAIR CREDIT REPORTING (DOCKET NUMBER: R-1082)**Priority:** Substantive, Nonsignificant**CFR Citation:** 12 CFR 222**Timetable:**

Action	Date	FR Cite
Board requested comment	10/20/00	65 FR 63120
Further Board action by	12/00/07	

Regulatory Flexibility Analysis**Required:** No**Government Levels Affected:** None**Federalism:** Undetermined**Agency Contact:** David A. Stein
Phone: 202 452-2412**RIN:** 7100-AC68

Federal Reserve System (FRS)

Completed Actions

4017. REGULATION: H—MEMBERSHIP OF STATE BANKING INSTITUTIONS IN THE FEDERAL RESERVE SYSTEM; AND REGULATION: Y—BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL (DOCKET NUMBER: R-1087)**Priority:** Substantive, Nonsignificant**Legal Authority:** 12 USC 24; 12 USC 36; 12 USC 92a; 12 USC 93a; . . .**CFR Citation:** 12 CFR 208; 12 CFR 225**Legal Deadline:** None**Abstract:** In December 2000, the Board issued an interim rule, with request for public comment, amending Regulations H and Y to effectively reduce the capital requirement for certain securities borrowing transactions (65

FR 75856, December 5, 2000). The proposed amendments recognized the historically low risk of these transactions to bring the capital requirements for U.S. banking organizations into better alignment with the capital requirements of other U.S. and non-U.S. regulators of financial institutions. The proposed amendments had little or no effect on small banking organizations subject to the Board's regulation, as securities borrowing activities are concentrated in a relatively small number of very large banking organizations. The Board issued a final rule on February 22, 2006, 71 FR 8932.

Timetable:

Action	Date	FR Cite
Board requested comment	12/05/00	65 FR 75856
Board issued final rule	02/22/06	71 FR 8932

Regulatory Flexibility Analysis**Required:** No**Government Levels Affected:** None**Federalism:** Undetermined**Agency Contact:** David Adkins,
Supervisory Financial Analyst, Federal Reserve System, Division of Banking Supervision and Regulation
Phone: 202 452-5259**RIN:** 7100-AC75

[FR Doc. 06-7565 Filed 12-08-06; 8:45 am]

BILLING CODE 6210-01-S