

FEDERAL RESERVE SYSTEM

Proposed Agency Information Collection Activities: Comment Request

AGENCY: Board of Governors of the Federal Reserve System (Board)

ACTION: Notice and request for comment.

SUMMARY: In accordance with the requirements of the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), the Board, the Federal Deposit Insurance Corporation (FDIC), and the Office of the Comptroller of the Currency (the “agencies”) may not conduct or sponsor, and the respondent is not required to respond to, an information collection unless it displays a currently valid Office of Management and Budget (OMB) control number. The Federal Financial Institutions Examination Council (FFIEC), of which the agencies are members, has approved the agencies’ publication for public comment of a proposal to revise the Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks (FFIEC 002), which is a currently approved information collection. The Board is publishing this proposal on behalf of the agencies. At the end of the comment period, the comments and recommendations received will be analyzed to determine the extent to which the FFIEC should modify the reports. The Board will then submit the reports to OMB for review and approval.

DATES: Comments must be submitted on or before August 4, 2006.

ADDRESSES: Interested parties are invited to submit written comments to the agency listed below. All comments, which should refer to the OMB control number, will be shared among the agencies. You may submit comments, identified by FFIEC 002 (7100-0032), by any of the following methods:

- Agency Web Site: <http://www.federalreserve.gov>. Follow the instructions for submitting comments on the <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, except as necessary 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 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 Desk Officer for the agencies by mail to U.S. Office of Management and Budget, 725 17th Street N.W., #10235, Washington, DC 20503 or by fax to 202-395-6974.

FOR FURTHER INFORMATION CONTACT: Additional information or a copy of the collection may be requested from Michelle Long, Federal Reserve Board Clearance Officer, 202-452-3829, Division of Research and Statistics, Board of Governors of the Federal Reserve System, 20th and C Streets, N.W., Washington, DC 20551. Telecommunications Device for the Deaf (TDD) users may call 202-263-4869, Board of Governors of the Federal Reserve System, 20th and C Streets, N.W., Washington, DC 20551.

Proposal to revise the following currently approved collection of information:

Report Title: Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks

Form Number: FFIEC 002

OMB Number: 7100-0032

Frequency of Response: Quarterly

Affected Public: U.S. branches and agencies of foreign banks

Estimated Number of Respondents: 275

Estimated Time per Response: 22.75 hours

Estimated Total Annual Burden: 25,025 hours

General Description of Report: This information collection is mandatory: 12 U.S.C. 3105(b)(2), 1817(a)(1) and (3), and 3102(b). Except for select sensitive items, this information collection is not given confidential treatment [5 U.S.C. 552(b)(8)].

Abstract: On a quarterly basis, all U.S. branches and agencies of foreign banks (U.S. branches) are required to file detailed schedules of assets and liabilities in the form of a condition report and a variety of supporting schedules. This information is used to fulfill the supervisory and regulatory requirements of the International Banking Act of 1978. The data are also used to augment the bank credit, loan, and deposit information needed for monetary policy and other public policy purposes. The Federal Reserve System collects and processes this report on behalf of all three agencies.

Current Actions: The agencies propose to implement a number of revisions to modify the existing reporting requirements of the Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks (FFIEC 002), consistent with revisions to Schedule RC-O (Other Data for Deposit Insurance and FICO Assessments) on the Reports of Condition and Income

(Call Report) (FFIEC 031 and 041) filed by insured commercial banks and state-chartered savings banks. The proposed revisions to the FFIEC 002 summarized below, which would apply only to branches whose deposits are insured by the FDIC, have been approved for publication by the FFIEC. The agencies would implement these proposed changes as of the September 30, 2006, reporting date.

Changes to Schedule O, Memoranda item 1

The Federal Deposit Insurance Reform Act of 2005 (Reform Act) (Pub. L. 109–171), enacted in February 2006, increased the deposit insurance limit for certain retirement plan deposit accounts from \$100,000 to \$250,000. The basic insurance limit for other depositors – individuals, joint accountholders, businesses, government entities, and trusts – remains at \$100,000. The FDIC issued an interim rule to implement this increase in coverage and other provisions of the Reform Act pertaining to deposit insurance coverage effective April 1, 2006 (71 FR 14629).

As a result of this legislation and rulemaking, Memoranda items 1.a.(1) through 1.b.(2) of Schedule O would be redefined to exclude retirement accounts, which would be reported in four new items 1.c.(1) through 1.d.(2). For further details, see the Call Report *Federal Register* notice published on May 8, 2006 (71 FR 26809).

Given the purpose of these memorandum items, the dollar amount cited in the caption would need to be changed if the deposit insurance limit were to change. To ensure that the dollar amount cited in the caption changes automatically as a function of the deposit insurance limit in effect on the report date, the caption for Memorandum item 1 would be footnoted to state that the specific dollar amounts used as the basis for reporting the number and amount of deposit accounts in Memorandum items 1.a through 1.d reflect the deposit insurance limits in effect on

the report date. The instructions for this Memorandum item would be similarly clarified. For further details, see the Call Report *Federal Register* notices published on November 8, 2002, and March 4, 2003 (67 FR 68229 and 68 FR 10310, respectively).

Changes to Schedule O, Memoranda item 2

Memorandum items 2.a and 2.b of Schedule O would be replaced and redefined as Memorandum item 2, “Estimated amount of uninsured deposits in the branch (excluding IBF),” and would be completed only by branches with \$1 billion or more in total claims on nonrelated parties. For further details, see the Call Report *Federal Register* notices published on October 18, 2001, February 28, 2002, August 23, 2005, and February 17, 2006 (66 FR 52973, 67 FR 9355, 70 FR 49363, and 71 FR 8649, respectively).

Currently there are 13 branches that would be required to report the proposed Memorandum item 1 and only 4 branches that would be required to report the proposed Memorandum item 2. Therefore the agencies estimate that these deposit-related reporting changes will have a nominal effect on the overall reporting burden of the FFIEC 002.

The agencies will monitor the impact of the new deposit insurance limits on the practices of branches whose deposits are insured by the FDIC and may propose additional revisions to the FFIEC 002 in the future to address supervisory or other public policy concerns resulting from any changes in branch practices.

Request for Comment

Comments are invited on:

a. Whether the information collection is necessary for the proper performance of the agencies’ functions, including whether the information has practical utility;

b. The accuracy of the agencies' estimate of the burden of the 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;

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

e. Estimates of capital or start up costs and costs of operation, maintenance, and purchase of services to provide information.

Comments submitted in response to this notice will be shared among the agencies. All comments will become a matter of public record. Written comments should address the accuracy of the burden estimate and ways to minimize burden including the use of automated collection techniques or the use of other forms of information technology as well as other relevant aspects of the information collection request.

Board of Governors of the Federal Reserve System, May 31, 2006.

(signed)

Jennifer J. Johnson,
Secretary of the Board.