

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 December 13, 2010.

ADDRESSES: You may submit comments, identified by FR 2226, FR G-1,

FR G-2, FR G-3, FR G-4, FR T-4, or FR U-1, 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:

1. *Report title:* The Report of Net Debit Cap.

Agency form number: FR 2226.

OMB control number: 7100-0217.

Frequency: Annual.

Reporters: Depository institutions, Edge and agreement corporations, U.S. branches and agencies of foreign banks.

Estimated annual reporting hours: 1,298 hours.

Estimated average hours per response: 1.0 hour.

Number of respondents: 1,298.

General description of report: This information collection is mandatory (12 U.S.C. 248(i), 248-1, and 464). The information submitted by respondents for the payments system risk reduction program is exempt from disclosure under exemption (b)(4) of the Freedom of Information Act (FOIA), which exempts from disclosure “trade secrets and commercial or financial information obtained from a person and privileged or confidential.” (5 U.S.C. §552 (b)(4)). In addition, information reported in connection with the second and third resolutions may be protected under Section (b)(8) of FOIA, to the extent that such information is based on the institution’s CAMELS rating, and thus is related to examination reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions (5 U.S.C. §552(b)(8)).

Abstract: Federal Reserve Banks collect these data annually to provide information that is essential for their administration of the Federal Reserve's Payments System Risk (PSR) policy. The reporting panel includes all financially healthy depository institutions with access to the discount window. The Report of Net Debit Cap comprises three resolutions, which are filed by a depository institution's board of directors depending on its needs. The first resolution is used to establish a de minimis net debit cap and the second resolution is used to establish a self-assessed net debit cap. The third resolution is used to establish simultaneously a self-assessed net debit cap and maximum daylight overdraft capacity. Copies of the model resolutions are located in Appendix B, of the PSR policy, that can be found at http://www.federalreserve.gov/paymentsystems/psr_relpolicies.htm.

2. *Report title:* Statement of Purpose for an Extension of Credit by a Creditor.

Agency form number: FR T-4.

OMB control number: 7100-0019.

Frequency: On occasion.

Reporters: Brokers and dealers.

Estimated annual reporting hours: 459 hours.

Estimated average hours per response: 10 minutes.

Number of respondents: 135.

General description of report: This information collection is mandatory and authorized by section 7 of the '34 Act (15 U.S.C. 78g). In addition, the FR T-4 is required by Section 220.6 of Regulation T (12 C.F.R. 220.6). The FR T-4 data are not submitted to the Federal Reserve System and, as such, no issue of confidentiality arises.

Abstract: The Securities Exchange Act of 1934 authorizes the Federal Reserve to regulate securities credit extended by brokers and dealers, banks, and other lenders. The FR T-4 is a purpose statement for brokers and dealers. The purpose statement is a recordkeeping requirement for brokers and dealers to document the purpose of their loans secured by margin stock. Margin stock is defined as (1) stocks that are registered on a national securities exchange or any over-the-counter security designated for trading in the National Market System, (2) debt securities (bonds) that are convertible into margin stock, and (3) shares of most mutual funds.

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

Report titles: Registration Statement for Persons Who Extend Credit Secured by Margin Stock (Other Than Banks, Brokers, or Dealers), Deregistration Statement for Persons Registered Pursuant to Regulation U,

Statement of Purpose for an Extension of Credit Secured by Margin Stock by a Person Subject to Registration Under Regulation U; Annual Report, and Statement of Purpose for an Extension of Credit Secured by Margin Stock.

Agency form numbers: FR G-1, FR G-2, FR G-3, FR G-4, and FR U-1.

OMB control numbers: 7100-0011: FR G-1, FR G-2, and FR G-4; 7100-0018: FR G-3; and 7100-0115: FR U-1.

Frequency: FR G-1, FR G-2, FR G-3, and FR U-1 on occasion; and FR G-4: annual.

Reporters: Individuals and business.

Annual reporting hours: 1,207 reporting hours; 1,604 recordkeeping hours.

Estimated average hours per response: FR G-1, 2.5 hours; FR G-2, 15 minutes;

FR G-3, 10 minutes; FR G-4, 2.0 hours; and FR U-1, 10 minutes.

Number of respondents: FR G-1, 25; FR G-2, 40; FR G-3, 284; FR G-4, 567;

and FR U-1, 50.

General description of report: These mandatory information collections are authorized by section 7 of the '34 Act (15 U.S.C. 78g). In addition, the FR U-1 is required by Sections 221.3(c)(1)(i) and (2)(i) of Regulation U (12 C.F.R. 221.3(c)(1)(i) and (2)(i)), and the FR G-1, G-2, G-3, and G-4 are

required by Sections 221.3(b)(1), (2), and (3), and (c)(1)(ii) and (2)(ii) of Regulation U (12 C.F.R. 221.3(b)(1), (2), and (3), and (c)(1)(ii) and (2)(ii)). The information collected in the FR G-1 and the FR G-4 is given confidential treatment under the Freedom of Information Act (5 U.S.C. 552 (b)(4) and (6)). Confidentiality determinations would have to be made on a case by case basis. The FR G-2 does not collect confidential information. The FR U-1 and FR G-3 data are not submitted to the Federal Reserve System and, as such, no issue of confidentiality arises.

Abstract: The Securities Exchange Act of 1934 authorizes the Federal Reserve to regulate securities credit extended by brokers and dealers, banks, and other lenders. The purpose statements, FR U-1 and FR G-3, are recordkeeping requirements for brokers and dealers, banks, and other lenders, respectively, to document the purpose of their loans secured by margin stock. Margin stock is defined as (1) stocks that are registered on a national securities exchange or any over-the-counter security designated for trading in the National Market System, (2) debt securities (bonds) that are convertible into margin stock, and (3) shares of most mutual funds. Lenders other than brokers and dealers and banks must register and deregister with the Federal Reserve using the FR G-1 and FR G-2, respectively, and they must file the FR G-4 annual report while registered. The Federal Reserve

uses the data to identify lenders subject to Regulation U, to verify their compliance with the regulation, and to monitor margin credit.

Current Actions: The Federal Reserve proposes minor clarifications to the FR G-1, FR G-3, and FR U-1 for consistency purposes. First, the definition of margin stock included in the instructions would be standardized. This would eliminate the confusion as to what securities could be defined as margin stock. Second, the lender's attestation in Part III of the FR G-3 would be modified to more closely parallel the FR U-1 attestation.

Board of Governors of the Federal Reserve System, October 8, 2010.

(signed)

Jennifer J. Johnson,
Secretary of the Board.