

FEDERAL RESERVE SYSTEM

Agency Information Collection Activities: Submission for OMB Review; Comment

Request

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

ACTION: Notice of information collection to be submitted to OMB for review and approval under the Paperwork Reduction Act of 1995.

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, 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.

On November 23, 2011, the Board, under the auspices of the Federal Financial Institutions Examination Council (FFIEC) and on behalf of the agencies, published a notice in the *Federal Register* (76 FR 72410) requesting public comment on the extension, with revision, of the Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks (FFIEC 002) and the Report of Assets and Liabilities of a Non-U.S. Branch that is Managed or Controlled by a U.S. Branch or Agency of a Foreign (Non-U.S.) Bank (FFIEC 002S), which are currently approved information collections. The comment period for this notice expired on January 23, 2012. No comments were received on the proposed revisions. However, the agencies received eight comments on proposed revisions to the Consolidated Reports of Condition and Income (Call Report) (FFIEC 031 and 041; OMB No. 7100-0036). Inasmuch as the Call Report revisions parallel certain of the proposed revisions to the FFIEC 002, these comments are being taken into consideration for the FFIEC 002 proposal.

After consideration of these comments, the FFIEC and the agencies will proceed with the reporting change to Schedule RAL, Assets and Liabilities, proposed for implementation as of June 30, 2012. With respect to the new loan origination activity schedule that had been proposed to be added to the FFIEC 002, the FFIEC and the agencies are continuing to evaluate this proposed schedule in light of the comments received on the comparable change proposed to the Call Report. The FFIEC's and the agencies' decisions regarding this proposed schedule will be the subject of a separate Federal Register notice, and any resulting new reporting requirements will not take effect before the September 30, 2012, report date.

DATES: Comments must be submitted on or before April 9, 2012.

ADDRESSES: Interested parties are invited to submit written comments to the agency listed below. All comments will be shared among the agencies.

You may submit comments, which should refer to "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 the OMB control 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 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 may send a copy of their comments to the OMB desk officer for the agencies 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: Additional information or a copy of the collections may be requested from Cynthia M. Ayouch, 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, NW., Washington, DC 20551. Telecommunications Device for the Deaf (TDD) users may call (202) 263-4869.

SUPPLEMENTARY INFORMATION:

Proposal to request approval from OMB of the extension for three years, with revision, of the following reports:

Title: Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks; Report of Assets and Liabilities of a Non-U.S. Branch that is Managed or Controlled by a U.S. Branch or Agency of a Foreign (Non-U.S.) Bank

Form Numbers: FFIEC 002; FFIEC 002S

OMB Number: 7100-0032

Frequency of Response: Quarterly

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

Estimated annual reporting hours: FFIEC 002 – 24,108 hours; FFIEC 002S – 1,416 hours

Estimated average hours per response: FFIEC 002 – 25.43 hours; FFIEC 002S – 6.0 hours

Number of respondents: FFIEC 002 – 237; FFIEC 002S – 59

General Description of Report: These information collections are mandatory: 12 U.S.C.

§§ 3105(c)(2), 1817(a)(1) and (3), and 3102(b). Except for select sensitive items, the FFIEC 002 is not given confidential treatment; the FFIEC 002S is given confidential treatment [5 U.S.C. § 552(b)(4) and (8)].

Abstract: On a quarterly basis, all U.S. branches and agencies of foreign banks are required to file the FFIEC 002, which is a detailed report of condition with 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 FFIEC 002S is a supplement to the FFIEC 002 that collects information on assets and liabilities of any non-U.S. branch that is managed or controlled by a U.S. branch or agency of the foreign bank. Managed or controlled means that a majority of the responsibility for business decisions, including but not limited to decisions with regard to lending or asset management or funding or liability management, or the responsibility for recordkeeping in respect of assets or liabilities for that foreign branch resides at the U.S. branch or agency. A separate FFIEC 002S must be completed for each managed or controlled non-U.S. branch. The FFIEC 002S must be filed quarterly along with the U.S. branch or agency's FFIEC 002. The data from both reports are used for: (1) monitoring deposit and credit transactions of U.S. residents; (2) monitoring the

impact of policy changes; (3) analyzing structural issues concerning foreign bank activity in U.S. markets; (4) understanding flows of banking funds and indebtedness of developing countries in connection with data collected by the International Monetary Fund and the Bank for International Settlements that are used in economic analysis; and (5) assisting in the supervision of U.S. offices of foreign banks. The Federal Reserve System collects and processes these reports on behalf of all three agencies.

Current Actions: The agencies proposed to implement a limited number of revisions to the FFIEC 002 reporting requirements in 2012. These changes are intended to provide data needed for reasons of safety and soundness and other public purposes. The proposed changes would also help achieve consistency with revisions the agencies are proposing to make to the Call Report filed by insured banks and savings institutions. The FFIEC 002 reporting changes in the agencies' November 2011 proposal, which were proposed for implementation in June 2012, included:

- A new item on Schedule RAL, for "other securities" held for trading purposes (new Schedule RAL, item 1.f.(4)). Current Schedule RAL, item 1.f.(4), Other trading assets, would be renumbered as item 1.f.(5) and would be defined to exclude all securities held for trading; and
- A new Schedule U, Loan Origination Activity, in which institutions with total assets of \$300 million or more would report, separately for several loan categories, the quarter-end amount of loans reported in Schedule C, Loans and Lease Financing Receivables, that was originated during the quarter, and institutions with total assets of \$1 billion or more would also report for these loan categories the portions of the quarter-end amount of loans originated during the

quarter that were (a) originated under a newly established loan commitment and (b) not originated under a loan commitment.

Further details concerning the preceding proposed FFIEC 002 reporting changes may be found in Sections A and B of the agencies' November 2011 Federal Register notice.¹

Although no comments were received on the November 2011 Federal Register notice for the FFIEC 002, the agencies did collectively receive comments on their November 2011 Call Report Federal Register notice² from eight entities: four banking organizations, two bankers' associations, a commercial lending software company, and a news organization. All eight entities commented on the proposed new Call Report Schedule RC-U, Loan Origination Activity (in Domestic Offices), which is comparable to but more detailed than proposed FFIEC 002 Schedule U.

The FFIEC and the agencies are proceeding with the revision proposed to Schedule RAL for implementation as of the June 30, 2012, report date. With respect to the new schedule for selected loan origination data proposed for implementation as of June 30, 2012, the FFIEC and the agencies are continuing to evaluate this proposed schedule in light of the comments received. When the FFIEC and the agencies have decided whether and how to proceed with this proposed new schedule, a separate Federal Register notice will be published and, if applicable, a submission by the Board will be made to OMB. Because of the additional time necessary for the FFIEC and the agencies to determine the outcome of the proposed new FFIEC 002 Schedule U and to allow sufficient lead time for affected institutions to prepare for any resulting new

¹ See 76 FR 72411-72412, November 23, 2011.

² See 76 FR 72035, November 21, 2011.

reporting requirements, the collection of selected loan origination data would not take effect before the September 30, 2012, report date.

Request for Comment

Comments are invited on:

- a. Whether the information collections are necessary for the proper performance of the agencies' functions, including whether the information has practical utility;
- b. The accuracy of the agencies' estimates of the burden of the information collections, 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 information collections 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.

Board of Governors of the Federal Reserve System, March 5, 2012.

(signed)
Jennifer J. Johnson,
Secretary of the Board.