

DEPARTMENT OF TRANSPORTATION**Surface Transportation Board****[STB Finance Docket No. 34986]****Ashland Railroad, Inc.—Lease and Operation Exemption—Rail Line in Monmouth County, NJ**

Ashland Railroad, Inc. (ASRR), a noncarrier, has filed a verified notice of exemption under 49 CFR 1150.31 to lease and operate approximately 1.5 miles of rail line owned by Grems-Kirk Railway, LLC, a noncarrier, in the Township of Freehold, in Monmouth County, NJ. ASRR will provide common carrier rail operations over the line and interchange with Consolidated Rail Corporation at Freehold on behalf of CSX Transportation, Inc. and Norfolk Southern Railway Company.

This transaction is related to the concurrently filed notice of exemption in STB Finance Docket No. 34987, *G. David Crane—Continuance in Control Exemption—Ashland Railroad, Inc.*, wherein G. David Crane seeks to continue in control of ASRR upon its becoming a Class III rail carrier.

ASRR certifies that its projected annual revenues as a result of this transaction will not exceed those that would qualify it as a Class III rail carrier and will not exceed \$5 million. The earliest this transaction may be consummated is the March 1, 2007 effective date of the exemption (30 days after the exemption was filed).

If the notice contains false or misleading information, the exemption is void *ab initio*. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Petitions for stay must be filed no later than February 22, 2007 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34986, must be filed with the Surface Transportation Board, 1925 K Street, NW., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on John K. Fiorilla, Capehart & Scatchard, P.A., 8000 Midlantic Drive, Suite 300S, Mt. Laurel, NJ 08054.

Board decisions and notices are available on our Web site at <http://www.stb.dot.gov>.

Decided: February 6, 2007.

By the Board, David M. Konschnik,
Director, Office of Proceedings.

Vernon A. Williams,
Secretary.

[FR Doc. E7-2315 Filed 2-13-07; 8:45 am]

BILLING CODE 4915-01-P

DEPARTMENT OF TRANSPORTATION**Surface Transportation Board****[STB Finance Docket No. 34987]****G. David Crane—Continuance in Control Exemption—Ashland Railroad, Inc.**

G. David Crane (applicant) has filed a verified notice of exemption to continue in control of Ashland Railroad, Inc. (ASRR), upon ASRR's becoming a Class III rail carrier.

The earliest this transaction may be consummated is the March 1, 2007 effective date of the exemption (30 days after the exemption was filed).

This transaction is related to the concurrently filed notice of exemption in STB Finance Docket No. 34986, *Ashland Railroad, Inc.—Lease and Operation Exemption—Rail Line in Monmouth County, NJ*. In that proceeding, ASRR seeks to lease and operate approximately 1.5 miles of rail line owned by Grems-Kirk Railway, LLC, a noncarrier, in the Township of Freehold, in Monmouth County, NJ. ASRR will provide common carrier rail operations over the line and interchange with Consolidated Rail Corporation at Freehold on behalf of CSX Transportation, Inc. and Norfolk Southern Railway Company.

Applicant is a noncarrier and currently is the controlling stockholder in Ashland Railway, Inc. (ASRY), a Class II rail carrier.

Applicant states that: (1) The rail lines being operated by ASRY do not connect with the rail line to be leased and operated by ASRR; (2) the continuance in control is not part of a series of anticipated transactions that would connect the rail line to be leased and operated by ASRR with any railroad in applicant's corporate family; and (3) the transaction does not involve a Class I railroad. Therefore, the transaction is exempt from the prior approval requirements of 49 U.S.C. 11323. See 49 CFR 1180.2(d)(2). The purpose of this transaction is to allow applicant to continue in control of ASRY and to control ASRR after it becomes a Class III rail carrier.

Under 49 U.S.C. 10502(g), the Board may not use its exemption authority to relieve a rail carrier of its statutory obligation to protect the interests of its

employees. Because the transaction involves the control of one Class II and a Class III rail carrier, the exemption is subject to the labor protection requirements of 49 U.S.C. 11326(b).

If the notice contains false or misleading information, the exemption is void *ab initio*. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Petitions for stay must be filed no later than February 22, 2007 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34987, must be filed with the Surface Transportation Board, 1925 K Street, NW., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on John K. Fiorilla, Capehart & Scatchard, P.A., 8000 Midlantic Drive, Suite 300S, Mt. Laurel, NJ 08054.

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Decided: February 6, 2007.

By the Board, David M. Konschnik,
Director, Office of Proceedings.

Vernon A. Williams,
Secretary.

[FR Doc. E7-2322 Filed 2-13-07; 8:45 am]

BILLING CODE 4915-01-P

DEPARTMENT OF THE TREASURY**Office of the Comptroller of the Currency****FEDERAL RESERVE SYSTEM****FEDERAL DEPOSIT INSURANCE CORPORATION****DEPARTMENT OF THE TREASURY****Office of Thrift Supervision****Proposed Agency Information Collection Activities; Comment Request**

AGENCIES: Office of the Comptroller of the Currency (OCC), Treasury; Board of Governors of the Federal Reserve System (Board); Federal Deposit Insurance Corporation (FDIC); and Office of Thrift Supervision (OTS), Treasury.

ACTION: Joint 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 OCC, the Board, the FDIC, and the OTS (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 reporting of risk-based capital information in the Consolidated Reports of Condition and Income (Call Report) for banks and the Thrift Financial Report (TFR) for savings associations, which are currently approved collections of information for the agencies. These proposed reporting revisions are based on the agencies’ joint notice of proposed rulemaking (NPR) on proposed revisions to their existing risk-based capital framework, an approach known as Basel IA (71 FR 77445, December 26, 2006), the comment period for which ends on March 26, 2007. At the end of the comment periods for the Basel IA NPR and this reporting proposal, the agencies will review all comments and recommendations they receive on both proposals, which may result in modifications of the proposed Basel IA risk-based capital rules and these related proposed reporting revisions. Before any proposed Basel IA reporting revisions are implemented, the agencies will submit them to OMB for review and approval.

DATES: Comments must be submitted on or before April 16, 2007.

ADDRESSES: Interested parties are invited to submit written comments to any or all of the agencies. All comments, which should refer to the OMB control number(s), will be shared among the agencies.

OCC: Communications Division, Office of the Comptroller of the Currency, Public Information Room, Mailstop 1–5, Attention: 1557–0081, 250 E Street, SW., Washington, DC 20219. In addition, comments may be sent by fax to (202) 874–4448, or by electronic mail to regs.comments@occ.treas.gov. You can inspect and photocopy comments at the OCC’s Public Information Room, 250 E Street, SW., Washington, DC 20219. You can make an appointment to inspect comments by calling (202) 874–5043.

Board: You may submit comments, which should refer to “Consolidated Reports of Condition and Income, 7100–0036,” 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 for this information collection 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, NW., Washington, DC 20551.

All public comments are available from the Board’s Web site at <http://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, NW.) between 9 a.m. and 5 p.m. on weekdays.

FDIC: You may submit comments, which should refer to “Consolidated Reports of Condition and Income, 3064–0052,” by any of the following methods:

- <http://www.FDIC.gov/regulations/laws/federal/notices.html>.

- **E-mail:** comments@FDIC.gov. Include “Consolidated Reports of Condition and Income, 3064–0052” in the subject line of the message.

- **Mail:** Steven F. Hanft (202–898–3907), Clearance Officer, Attn: Comments, Room MB–2088, Federal Deposit Insurance Corporation, 550 17th Street, NW., Washington, DC 20429.

- **Hand Delivery:** Comments may be hand delivered to the guard station at the rear of the 550 17th Street Building (located on F Street) on business days between 7 a.m. and 5 p.m.

Public Inspection: All comments received will be posted without change to <http://www.fdic.gov/regulations/laws/federal/notices.html> including any personal information provided.

Comments may be inspected at the FDIC Public Information Center, Room E–1002, 3501 Fairfax Drive, Arlington, VA 22226, between 9 a.m. and 5 p.m. on business days.

OTS: You may submit comments, identified by “1550–0023 (TFR: Schedule CCR),” by any of the following methods:

- **Federal eRulemaking Portal:** <http://www.regulations.gov>. Follow the instructions for submitting comments.

- **E-mail address:** infocollection.comments@ots.treas.gov. Please include “1550–0023 (TFR: Schedule CCR)” in the subject line of the message and include your name and telephone number in the message.

- **Fax:** (202) 906–6518.

- **Mail:** Information Collection Comments, Chief Counsel’s Office, Office of Thrift Supervision, 1700 G Street, NW., Washington, DC 20552, Attention: “1550–0023 (TFR: Schedule CCR).”

- **Hand Delivery/Courier:** Guard’s Desk, East Lobby Entrance, 1700 G Street, NW., from 9 a.m. to 4 p.m. on business days, Attention: Information Collection Comments, Chief Counsel’s Office, Attention: “1550–0023 (TFR: Schedule CCR).”

Instructions: All submissions received must include the agency name and OMB Control Number for this information collection. All comments received will be posted without change to the OTS Internet Site at <http://www.ots.treas.gov/pagehtml.cfm?catNumber=67&an=1>, including any personal information provided.

Docket: For access to the docket to read background documents or comments received, go to <http://www.ots.treas.gov/pagehtml.cfm?catNumber=67&an=1>.

In addition, you may inspect comments at the Public Reading Room, 1700 G Street, NW., by appointment. To make an appointment for access, call (202) 906–5922, send an e-mail to public.info@ots.treas.gov, or send a facsimile transmission to (202) 906–7755. (Prior notice identifying the materials you will be requesting will assist us in serving you.) We schedule appointments on business days between 10 a.m. and 4 p.m. In most cases, appointments will be available the next business day following the date we receive a request.

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: For further information about the proposed revisions discussed in this notice, please contact any of the agency clearance officers whose names appear below.

OCC: Mary Gottlieb, OCC Clearance Officer, or Camille Dickerson, (202) 874–5090, Legislative and Regulatory Activities Division, Office of the

Comptroller of the Currency, 250 E Street, SW., Washington, DC 20219.

Board: Michelle E. Shore, 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.

FDIC: Steven F. Hanft, Paperwork Clearance Officer, (202) 898-3907, Legal Division, Federal Deposit Insurance Corporation, 550 17th Street, NW., Washington, DC 20429.

OTS: Marilyn K. Burton, OTS Clearance Officer, at marilyn.burton@ots.treas.gov, (202) 906-6467, or facsimile number (202) 906-6518, Litigation Division, Chief Counsel's Office, Office of Thrift Supervision, 1700 G Street, NW., Washington, DC 20552.

SUPPLEMENTARY INFORMATION: The agencies are proposing to revise the reporting of risk-based capital information in the Call Report and the TFR, which are currently approved collections of information for the agencies. These proposed reporting revisions are based on the agencies' joint notice of proposed rulemaking (NPR) on proposed revisions to their existing risk-based capital framework, an approach known as Basel IA (71 FR 77445, December 26, 2006). At the end of the comment periods for the Basel IA NPR and this notice, the agencies will review the comments on both proposals and, as a result, may modify the proposed Basel IA risk-based capital rules and the proposed reporting requirements described in this notice. Before implementing any proposed changes to the Call Report or the TFR, the agencies will submit any such changes to OMB for review and approval.

1. *Report Title:* Consolidated Reports of Condition and Income (Call Report).¹

Form Number: FFIEC 031 (for banks with domestic and foreign offices) and FFIEC 041 (for banks with domestic offices only).

Frequency of Response: Quarterly.

Affected Public: Business or other for-profit.

OCC:

OMB Number: 1557-0081.

Estimated Number of Respondents: 1,900 national banks.

Estimated Time per Response: 44.57 burden hours.

Estimated Total Annual Burden: 338,732 burden hours.

Board:

OMB Number: 7100-0036.

Estimated Number of Respondents: 905 state member banks.

Estimated Time per Response: 51.32 burden hours.

Estimated Total Annual Burden: 185,778 burden hours.

FDIC:

OMB Number: 3064-0052.

Estimated Number of Respondents: 5,234 insured state nonmember banks.

Estimated Time per Response: 35.73 burden hours.

Estimated Total Annual Burden: 748,043 burden hours.

2. *Report Title:* Thrift Financial Report (TFR: Schedule CCR).

Form Number: OTS 1313 (for savings associations).

Frequency of Response: Quarterly.

Affected Public: Business or other for-profit.

OTS:

OMB Number: 1550-0023.

Estimated Number of Respondents: 854 savings associations.

Estimated Time per Response: 58.5 burden hours.

Estimated Total Annual Burden: 197,598 burden hours.

The estimated times per response shown above represent estimates of the ongoing average reporting burden per bank or savings association (institution) per response after those institutions that are expected to opt in to the proposed Basel IA risk-based capital rules have made the one-time systems and other recordkeeping changes needed to support their ability to measure their risk-based capital ratios under the proposed Basel IA approach and report the results of this measurement process in the proposed revised Call Report Schedule RC-R and TFR Schedule CCR. The agencies estimate that 428 institutions will choose to adopt the proposed Basel IA risk-based capital rules. The agencies also estimate that, on average, these institutions will incur an incremental ongoing burden of between 5 and 15 hours per quarter, which is reflected in the estimated time per response and estimated total annual burden shown above for each agency. Across all institutions supervised by the agencies, this represents an average estimated increase in reporting burden of 0.5 hours per institution.

In addition, the institutions that are expected to opt in to Basel IA will incur

capital and start-up costs associated with implementing the one-time systems and other recordkeeping changes needed to support their reporting of Basel IA risk-based capital information in the Call Report and TFR. These costs will vary in amount from institution to institution depending upon an institution's individual circumstances and the extent of its involvement, if any, with the particular assets, derivatives, and off-balance-sheet items whose risk-based capital treatment under the Basel IA proposal differs from their treatment under the existing risk-based capital rules. For those institutions that opt in to the proposed Basel IA capital rules, the agencies estimate that the one-time capital and start-up costs that would be incurred to enable them to report risk-based capital information in the Call Report and TFR for those assets, derivatives, and off-balance-sheet items accorded a different treatment under the proposed Basel IA reporting revisions would range from \$10,000 to \$300,000 per institution.

General Description of Reports

These information collections are mandatory: 12 U.S.C. 161 (for national banks), 12 U.S.C. 324 (for state member banks), 12 U.S.C. 1817 (for insured state nonmember commercial and savings banks), and 12 U.S.C. 1464(v) (for savings associations). Except for selected data items, these information collections are not given confidential treatment.

Abstract

Institutions submit Call Report and TFR data to the agencies each quarter for the agencies' use in monitoring the condition, performance, and risk profile of individual institutions and the industry as a whole. Call Report and TFR data provide the most current statistical data available for evaluating institutions' corporate applications, for identifying areas of focus for both on-site and off-site examinations, and for monetary and other public policy purposes. The agencies use Call Report and TFR data in evaluating interstate merger and acquisition applications to determine, as required by law, whether the resulting institution would control more than 10 percent of the total amount of deposits of insured depository institutions in the United States. Call Report and TFR data are also used to calculate all institutions' deposit insurance and Financing Corporation assessments, national banks' semiannual assessment fees, and the OTS's assessments on savings associations.

¹ The estimated times per response for the Call Report that are presented for the OCC, the Board, and the FDIC are averages that vary by agency because of differences in the composition of the banks under each agency's supervision (e.g., size distribution of banks, types of activities in which they are engaged, existence of foreign offices, and risk-based capital rules used by banks). The average reporting burden for the Call Report on an ongoing basis is estimated to range from 16 to 645 hours per quarter, depending on an individual bank's circumstances.

Current Actions

I. Overview

On December 26, 2006, the agencies issued a joint notice of proposed rulemaking (NPR) requesting comment on an alternative approach for computing risk-weighted assets and credit equivalent amounts of off-balance-sheet items for purposes of calculating the risk-based capital ratios of banks, bank holding companies, and savings associations (banking organizations), an approach known as Basel IA (71 FR 77445). In general, the agencies proposed in the Basel IA NPR to:

- (1) Expand the number of risk weight categories;
- (2) Allow the use of external credit ratings to risk weight certain exposures;
- (3) Expand the range of recognized collateral and eligible guarantors;
- (4) Use loan-to-value ratios to risk weight most residential mortgages;
- (5) Increase the credit conversion factor for certain commitments with an original maturity of one year or less;
- (6) Assess a capital charge for securitizations of revolving exposures with early-amortization features; and
- (7) Remove the 50 percent limit on the risk weight for certain derivative transactions.

As proposed in the Basel IA NPR, the application of the Basel IA risk-based capital rules would be optional. According to the Basel IA NPR, a banking organization would have to apply all of the proposed Basel IA changes to its risk-based capital calculations if it chose to use the Basel IA risk-based capital approach, which would affect the denominator of the organization's risk-based capital ratios. The agencies did not propose any changes to the numerator used in these ratios in the Basel IA NPR.

The agencies currently collect data pertaining to the composition of an institution's risk-based capital ratios under the current risk-based capital framework in Call Report Schedule RC-R, Regulatory Capital, and TFR Schedule CCR, Consolidated Capital Requirement. These schedules also collect data pertaining to a banking organization's leverage ratio. In their present forms, Schedule RC-R and Schedule CCR consist of sections in which banking organizations report the components of Tier 1 capital, Tier 2 capital, and total risk-based capital; the calculation of total assets for the leverage ratio; various adjustments to regulatory capital measures; leverage and risk-based capital ratios; the risk-weighting of on-balance-sheet assets; the credit conversion and risk-weighting of

derivatives and off-balance-sheet items; the calculation of total risk-weighted assets; and the current credit exposure and remaining maturities of derivative contracts covered by the risk-based capital standards.

As proposed in the Basel IA NPR, unless a banking organization uses the risk-based capital framework proposed in the agencies' separate Basel II NPR (71 FR 55380, September 25, 2006), a banking organization could elect to adopt the proposed Basel IA capital rules or it could continue to calculate its risk-based capital ratios under the existing risk-based capital rules. Therefore, because the Basel IA proposal would affect the calculation of a banking organization's total risk-weighted assets, the agencies are proposing only to revise Call Report Schedule RC-R and TFR Schedule CCR. These proposed revisions would add a second set of sections in which institutions that opt to apply the Basel IA capital rules would report the risk-weighting of on-balance-sheet assets, the credit conversion and risk-weighting of derivatives and off-balance-sheet items, and the calculation of total risk-weighted assets. Basel IA institutions would complete this alternative set of risk-weighting sections in lieu of the comparable risk-weighting sections currently contained in Schedule RC-R and Schedule CCR that pertain to the existing risk-based capital rules. Institutions that continue to calculate their risk-based capital ratios under the existing risk-based capital rules would continue to complete the current set of risk-weighting sections in Schedule RC-R and Schedule CCR; they would not complete the proposed Basel IA alternative risk-weighting sections of these schedules.

In addition, the agencies would add a question to Schedule RC-R and Schedule CCR in which each institution would indicate whether it calculates its risk-based capital ratios under the existing risk-based capital rules or the Basel IA capital rules. Existing items within Schedule RC-R and Schedule CCR that cross-reference that schedule's item for "total risk-weighted assets" would be revised to refer to the "total risk-weighted assets" item determined under the existing risk-based capital rules or the Basel IA approach, as appropriate.

These proposed revisions to Call Report Schedule RC-R and TFR Schedule CCR, which have been approved for publication by the FFIEC, would take effect as of the first quarter-end Call Report and TFR date following the effective date of the agencies' final rule amending their risk-based capital

standards to implement the Basel IA alternative risk-based capital framework.²

II. Proposed Basel IA Alternative Risk-Weighting Sections in Schedule RC-R and Schedule CCR

The current on-balance-sheet asset risk-weighting section of Schedule RC-R and Schedule CCR includes separate line items for the major asset categories along with columns (Schedule RC-R) and rows (Schedule CCR) for four of the five risk-weight categories in the agencies' existing risk-based capital framework: zero percent, 20 percent, 50 percent, and 100 percent. Assets subject to the 200 percent risk weight are handled through an adjustment that, in general, doubles the balance sheet amount of the asset.

The current section of Schedule RC-R for derivatives and off-balance-sheet items contains separate data items for the categories of these exposures that are covered by the existing risk-based capital framework. This section also includes columns for the credit equivalent amounts of these exposures and for the four risk-weight categories mentioned above. The current Schedule CCR does not include a separate section for off-balance-sheet items. Instead, these items are subject to a credit conversion factor and the credit equivalent amounts of the converted items are included in the appropriate risk weight category on Schedule CCR. The credit equivalent amounts of derivatives are included in a risk weight category no higher than 50 percent.

For each category of assets, derivatives, and off-balance-sheet items, an institution allocates the individual asset amounts or credit equivalent amounts within that exposure category across the risk-weight columns (Schedule RC-R) or into the risk-weight rows (Schedule CCR) based on the risk weight or weights appropriate to the individual asset or credit equivalent amount. In the current risk-weighted assets section of Schedule RC-R and Schedule CCR, the asset amounts and credit equivalent amounts in each risk weight category are totaled and then

² The Board currently collects data pertaining to the composition of a bank holding company's risk-based capital ratios under the existing risk-based capital rules in Schedule HC-R, Regulatory Capital, of the Consolidated Financial Statements for Bank Holding Companies (FR Y-9C; OMB No. 7100-0128). Revisions comparable to those proposed to Call Report Schedule RC-R would be considered for the FR Y-9C, Schedule HC-R, and a separate notice and request for comment would be published in the **Federal Register** in the future. Comments received in response to the proposed Call Report revisions would be taken into consideration for the comparable proposed revisions to the FR Y-9C.

multiplied by the applicable risk weight to produce the institution's risk-weighted assets by risk weight category. The risk-weighted assets in each category, together with the institution's market risk equivalent assets (if the institution is subject to the market risk rule within the risk-based capital standards³), are summed to arrive at the institution's risk-weighted assets before any deductions for excess allowance for loan and lease losses and allocated transfer risk reserve. Following these deductions, the institution reports its total risk-weighted assets, which generally serves as the denominator for the institution's risk-based capital ratios.

The structure of the sections of existing Schedule RC-R and Schedule CCR that institutions use to report the risk-weighting of on-balance-sheet assets, the credit conversion and risk-weighting of derivatives and off-balance-sheet items, and the calculation of total risk-weighted assets, which have been described above, provides a suitable starting point for the Basel IA alternative version of these sections. Therefore, the agencies are proposing to add modified versions of these sections to Schedule RC-R and Schedule CCR and to designate them as the Basel IA alternative, which only those institutions that have opted in to Basel IA would complete. The proposed modifications are discussed in the following paragraphs.

The Basel IA proposal would increase the number of risk-weight categories to which on- and off-balance-sheet credit exposures may be assigned, specifically by adding risk weights of 35 percent, 75 percent, and 150 percent. Therefore, in the proposed Basel IA alternative risk-weighting sections of these revised schedules, the agencies would add columns (Schedule RC-R) and rows (Schedule CCR) for these three additional risk-weight categories. The agencies would also include in the proposed Basel IA alternative risk-weighting sections a specific column in Schedule RC-R and a specific row in Schedule CCR for the existing 200 percent risk-weight category that the current schedules provide for indirectly.⁴

The Basel IA proposal increases the credit conversion factor for various commitments with an original maturity of one year or less. Under this proposal, short-term commitments, to which the current risk-based capital standards generally apply a zero percent credit conversion factor, would be assigned a 10 percent credit conversion factor. The resulting credit equivalent amount would then be risk weighted according to the underlying asset(s) or the obligor after considering any applicable collateral, guarantees, or the external rating of the facility. Under the Basel IA proposal, commitments that are unconditionally cancelable would retain their existing zero percent credit conversion factor.

The current section of Schedule RC-R for risk-weighting the credit equivalent amount of derivatives and off-balance-sheet items includes data items for unused commitments that cover commitments with an original maturity exceeding one year and eligible liquidity facilities for asset-backed commercial paper programs with an original maturity of one year or less. Because other short-term commitments are generally subject to a zero percent credit conversion factor under the agencies' existing risk-based capital rules, they are not reported in the current Schedule RC-R. In order to implement the proposed Basel IA 10 percent credit conversion factor for these other short-term commitments (excluding commitments that are unconditionally cancelable), the banking agencies propose to add new data items for such commitments to the Basel IA alternative risk-weighting section in the revised Schedule RC-R. No additional data items are required for Schedule CCR.

Under the Basel IA proposal, loan-to-value (LTV) ratios would be used to determine the risk weight to which first lien and junior lien one-to-four family residential mortgage loans, including those held for sale and those held in portfolio,⁵ would be assigned. The agencies have proposed this LTV approach for one-to-four family residential mortgages to increase the risk sensitivity of their risk-based capital standards while minimizing the overall burden to banks. To aid in minimizing burden, the Basel IA NPR includes a transitional rule that would provide an option for banking organizations opting in to the proposed Basel IA approach to continue to risk weight existing residential mortgages

using the existing risk-based capital standard.

Given the significant change in approach to the risk-weighting of one-to-four family residential mortgages under the Basel IA proposal, the banking agencies are seeking the ability to monitor the effect of this LTV-based approach at individual banks under their supervision that opt in to Basel IA and across all such banks that opt in. Therefore, the banking agencies are proposing to add new data items to the Basel IA alternative risk-weighting section of Schedule RC-R for assets to enable them to track the allocation across the risk-weighting categories of residential mortgages to which the proposed Basel IA LTV-based risk-weighting approach has been applied. In these new data items, banks supervised by the banking agencies would report breakdowns by risk-weight category of (a) Their one-to-four family residential mortgages held for sale that are risk-weighted using the LTV-based approach separately from their other loans and all leases held for sale and (b) their one-to-four family residential mortgages held in portfolio that are risk-weighted using the LTV-based approach separately from their other loans and all leases held in portfolio.⁶ The OTS believes that the current Schedule CCR captures sufficient information to meet this monitoring purpose. Therefore, OTS is not proposing any changes to Schedule CCR to address this allocation tracking function.

In the Basel IA NPR, the agencies proposed to risk weight mortgage loans with negative amortization features consistent with the risk-based capital treatment for other unfunded commitments (for example, lines of credit). Under the proposed approach, the unfunded portion of the maximum negative amortization amount would be handled separately from the funded portion of the loan. The unfunded portion would be treated as a commitment (based on the original maturity of the commitment, *i.e.*, the original time period the negative amortization feature would be available), converted to a credit equivalent amount, and then risk weighted based on the LTV for the maximum contractual loan amount (*i.e.*, the sum of the drawn amount of the loan and the unfunded portion of the maximum negative amortization amount). For banks, the unfunded portion of the maximum negative

³ The OTS has not yet implemented a market risk rule for savings associations, but has proposed such a rule in a separate notice of proposed rulemaking. See 71 FR 55958 (September 25, 2006).

⁴ The FDIC, the Board, and the OCC (the banking agencies) are also proposing to add a 200 percent risk-weight column to the existing Basel I risk-weighting sections of Schedule RC-R, thereby replacing the current indirect method of applying the 200 percent risk weight with a direct method. The OTS is proposing to add a row to Schedule CCR to also replace the current indirect method.

⁵ Loans "held in portfolio" are those loans that the bank has the intent and ability to hold for the foreseeable future or until maturity or payoff.

⁶ Banks that exercise the option to continue to risk weight existing residential mortgages using the existing risk-based capital standard would report these mortgages in the data items for their other loans and leases held for sale or held in portfolio.

amortization amount would be reported in the appropriate data item for unused commitments in the Basel IA alternative risk-weighting section for off-balance-sheet items in revised Schedule RC-R. The funded portion of a mortgage loan with negative amortization features would be risk-weighted based on the LTV of the funded portion and reported in the asset data item on revised Schedule RC-R for either (a) The one-to-four family residential mortgages held for sale that are risk-weighted using the LTV-based approach or (b) the one-to-four family residential mortgages held in portfolio that are risk-weighted using the LTV-based approach, as appropriate. Savings associations would compute the risk-weighted amount by applying the appropriate credit conversion factor to the amount of the unfunded commitment and including this amount in the appropriate risk weight category for the LTV of the loan on the Schedule CCR. As with other off-balance-sheet credit equivalent amounts under the Basel IA proposal, no additional data items are required for Schedule CCR.

Another feature of the Basel IA NPR is the proposed assessment of a risk-based capital charge for securitizations of revolving exposures with early-amortization features. The early-amortization capital charge would be levied against the credit equivalent amount of the off-balance-sheet investors' interest (that is, the total amount of securities or other interests issued by a trust or special purpose entity to investors that is not on the securitizing banking organization's balance sheet) and would be imposed only in the event that the excess spread on the securitization has declined to a predetermined percentage of the excess spread trapping point.⁷ As the level of excess spread approaches the early amortization trigger, the credit conversion factor to be applied to the amount of investors' interest would increase from zero percent to 100 percent, thereby producing an increase in the capital charge.

Because no capital charge is imposed on investors' interests in revolving securitizations with early-amortization features under the existing risk-based capital framework, the banking agencies are proposing to add new data items for these investors' interests to the off-balance-sheet items section of revised Schedule RC-R for the purpose of reporting the credit equivalent amount

of these interests and then risk-weighting this off-balance-sheet exposure. As with other off-balance-sheet credit equivalent amounts, no additional data items are required for Schedule CCR. However, when reporting on its revolving securitizations with early-amortization features on Schedule RC-R or Schedule CCR, an institution will need to determine the credit equivalent amount for each individual securitization based on the credit conversion factor specific to that securitization rather than applying a single credit conversion factor to the total of all investors' interests. The credit equivalent amount for each securitization would then be assigned to the risk weight category appropriate to the securitized assets.

The Basel IA proposed rule would remove the 50 percent risk-weight limit that applies to certain derivative contracts. The risk weight assigned to the credit equivalent amount of a derivative contract would instead be the risk weight assigned to the derivative counterparty after consideration of any collateral or guarantees. The data items for derivative contracts in the current section of Schedule RC-R for risk-weighting derivatives and off-balance-sheet items do not permit the credit equivalent amount of a derivative contract to be assigned a risk weight greater than 50 percent. As a consequence, the data items for derivatives in the Basel IA alternative risk-weighting section for derivatives and off-balance-sheet items in revised Schedule RC-R will permit these credit equivalent amounts to be assigned to the full range of risk-weight categories. No modification will be necessary on Schedule CCR to address this change in Basel IA.

The Basel IA proposed rule would expand the use of external credit ratings to risk-weight most categories of externally-rated exposures, including sovereign and corporate debt securities and rated loans. At present, external credit ratings can be used to risk-weight only asset-backed and mortgage-backed securities and other positions in securitization transactions (except credit-enhancing interest-only strips). The Basel IA proposal would also expand the range of recognized collateral to include a broader array of externally-rated, liquid, and readily marketable financial instruments. The agencies' existing risk-based capital standards recognize limited types of collateral, including cash on deposit and securities issued or guaranteed by the U.S. government, U.S. government agencies, and U.S. government-sponsored agencies. Finally, the Basel

IA proposal would expand the range of eligible guarantors by recognizing entities that have long-term senior debt that, in general, is rated at least investment grade, provided the guarantee meets certain additional criteria. The agencies' existing risk-based capital standards limit the recognition of third party guarantees. Currently recognized guarantees include those provided by the U.S. government and U.S. government-sponsored agencies, U.S. depository institutions, and qualifying U.S. securities firms.

When risk-weighting on-balance-sheet assets and the credit equivalent amounts of derivatives and off-balance-sheet items in existing Schedule RC-R and Schedule CCR, institutions take currently recognized external credit ratings, collateral, and guarantees into account when they allocate assets and credit equivalent amounts to risk-weight categories. Institutions are not required to separately identify or report on their use of the ratings-based approach or eligible collateral or guarantees in existing Schedule RC-R and Schedule CCR. The agencies would maintain this same reporting approach for the expanded recognized external credit ratings, collateral, and guarantees in the Basel IA alternative risk-weighting sections for on-balance-sheet assets and for the credit equivalent amount of derivatives and off-balance-sheet items in revised Schedule RC-R and Schedule CCR.

III. Request for Comment

Public comment is requested on all aspects of this joint notice. Comments are invited on:

(a) Whether the proposed revisions to the Call Report and TFR collections of information 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 as they are proposed to be revised, 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 joint notice will be shared among

⁷ The excess spread trapping point is the point at which a banking organization is required by the documentation governing a securitization to divert and hold excess spread in a spread or reserve account, expressed as a percentage.

the agencies and will be summarized or included in the agencies' requests for OMB approval. All comments will become a matter of public record.

Dated: February 8, 2007.

Stuart E. Feldstein,

Assistant Director, Legislative and Regulatory Activities Division, Office of the Comptroller of the Currency.

Board of Governors of the Federal Reserve System, February 6, 2007.

Jennifer J. Johnson,

Secretary of the Board.

Dated at Washington, DC, this 8th day of February, 2007.

Federal Deposit Insurance Corporation.

Valerie J. Best,

Assistant Executive Secretary.

Dated: February 6, 2007.

Deborah Dakin,

Senior Deputy Chief Counsel, Regulations and Legislation Division, Office of Thrift Supervision.

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DEPARTMENT OF THE TREASURY

Office of the Comptroller of the Currency

FEDERAL RESERVE SYSTEM

FEDERAL DEPOSIT INSURANCE CORPORATION

DEPARTMENT OF THE TREASURY

Office of Thrift Supervision

Agency Information Collection Activities: Submission for OMB Review; Joint Comment Request

AGENCIES: Office of the Comptroller of the Currency (OCC), Treasury; Board of Governors of the Federal Reserve System (Board); Federal Deposit Insurance Corporation (FDIC); and Office of Thrift Supervision (OTS), Treasury.

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

SUMMARY: In accordance with the requirements of the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), the OCC, the Board, the FDIC, and the OTS (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 October 31, 2006, the agencies, under the auspices of the Federal Financial Institutions Examination Council (FFIEC), requested public comment for 60 days on a proposal to extend, with revision, the Consolidated Reports of Condition and Income (Call Report) for banks and the Thrift Financial Report (TFR) for savings associations, which are currently approved collections of information. After considering the comments, the FFIEC and the agencies have modified some of the proposed changes, which will be implemented March 31, 2007, as proposed. Additionally, OTS will incorporate in its OMB submission the proposed TFR changes published in the **Federal Register** on December 1, 2006 (71 FR 69619). These changes will also be implemented March 31, 2007, as proposed.

DATES: Comments must be submitted on or before March 16, 2007.

ADDRESSES: Interested parties are invited to submit written comments to any or all of the agencies. All comments, which should refer to the OMB control number(s), will be shared among the agencies.

OCC: Communications Division, Office of the Comptroller of the Currency, Public Information Room, Mailstop 1-5, Attention: 1557-0081, 250 E Street, SW., Washington, DC 20219. In addition, comments may be sent by fax to (202) 874-4448, or by electronic mail to regs.comments@occ.treas.gov. You can inspect and photocopy the comments at the OCC's Public Information Room, 250 E Street, SW., Washington, DC 20219. You can make an appointment to inspect the comments by calling (202) 874-5043.

Board: You may submit comments, which should refer to "Consolidated Reports of Condition and Income, 7100-0036," by any of the following methods:

- Agency Web Site: <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, NW., Washington, DC 20551.

All public comments are available from the Board's Web site at <http://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, NW) between 9 a.m. and 5 p.m. on weekdays.

FDIC: You may submit comments, which should refer to "Consolidated Reports of Condition and Income, 3064-0052," by any of the following methods:

- <http://www.FDIC.gov/regulations/laws/federal/notices.html>.
- E-mail: comments@FDIC.gov. Include "Consolidated Reports of Condition and Income, 3064-0052" in the subject line of the message.
- Mail: Steven F. Hanft (202-898-3907), Clearance Officer, Attn: Comments, Room MB-2088, Federal Deposit Insurance Corporation, 550 17th Street, NW., Washington, DC 20429.
- Hand Delivery: Comments may be hand delivered to the guard station at the rear of the 550 17th Street Building (located on F Street) on business days between 7 a.m. and 5 p.m.

Public Inspection: All comments received will be posted without change to <http://www.fdic.gov/regulations/laws/federal/notices.html> including any personal information provided. Comments may be inspected at the FDIC Public Information Center, Room E-1002, 3501 Fairfax Drive, Arlington, VA 22226, between 9 a.m. and 5 p.m. on business days.

OTS: You may submit comments, identified by "1550-0023 (TFR: March 2007 Revisions)," by any of the following methods:

- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- E-mail address: infocollection.comments@ots.treas.gov. Please include "1550-0023 (TFR: March 2007 Revisions)" in the subject line of the message and include your name and telephone number in the message.
- Fax: (202) 906-6518.
- Mail: Information Collection Comments, Chief Counsel's Office, Office of Thrift Supervision, 1700 G Street, NW., Washington, DC 20552, Attention: "1550-0023 (TFR: March 2007 Revisions)."
- Hand Delivery/Courier: Guard's Desk, East Lobby Entrance, 1700 G Street, NW., from 9 a.m. to 4 p.m. on business days, Attention: Information