

have a GAAP disclosure requirement.” The Board recognizes the concern expressed by these commenters but has concluded there is no reason to depart from its current practice of permitting the FR-Y9C filers to request confidential treatment in individual cases, which requests may be granted if properly supported.

Furthermore, commenters suggested a materiality threshold based on a percentage of assets or Tier 1 capital. As a result, the Federal Reserve has reconsidered its position and recommends a significantly higher reporting criterion of \$10 billion in aggregate assets of all acquired entities during the quarter or 5 percent of the respondent’s consolidated assets as of the previous quarter-end, whichever is lower. Another commenter questioned whether separate schedules or a single, combined schedule for each transaction would be required. The Federal Reserve will modify the FR Y-9C instructions to clarify that only a single schedule will need to be completed with aggregated information for all entities acquired during the quarter.

Commenters also stated unique or discreet information may no longer be available, particularly for nonbanking organizations acquired by the respondent, may be misleading, and may reflect institutional differences in areas such as accounting principles. The Federal Reserve believes excluding information that involves a significant acquirer may substantially distort aggregate data for broad segments of the industry. When a BHC acquires a nonbanking organization, the number of items the proposal requires is dramatically reduced. For example, for an insurance company without investment securities gains or losses, the pretax items to be collected would be limited to noninterest income, noninterest expense, and personnel expenses. While the Federal Reserve concurs that institutional differences may exist, they should not detract from the substance of financial statements prepared according to GAAP.

The Federal Reserve believes that most firms have accounting systems in place, which are maintained up to the date before a business entity ceases to be a going concern. However, one commenter provided additional information on rare situations that could emerge when only a portion of a firm may be purchased and actual financial statements may not be readily available for the acquirer. As a result, the Federal Reserve will accept estimates in lieu of actual data in these difficult circumstances.

One banking organization cited that merger-related adjustments to data might not be disclosed in the proposed items. In response, the Federal Reserve will modify the instructions to give BHCs the flexibility to provide merger-adjusted data.

#### Revised Filing Method

On September 16, 2002, the Federal Reserve issued for public comment revision to the filing method for bank holding company reports (67 FR 58425). The comment period expired on November 15, 2002. The comments received are addressed in detail below.

The Federal Reserve received comment letters from two bank holding company (BHC) trade associations, one large BHC, five small BHCs, and two accounting firms. The large BHC and one BHC association expressed support of the proposal to require electronic submission of the FR Y-9 series of reports. However, they expressed some specific concerns regarding the statement that the Federal Reserve anticipates in the future requiring that electronic submission software include data editing capabilities. The Federal Reserve appreciates the comments received regarding potential data editing capabilities of computer software, and will take these comments into consideration when this issue is formally addressed in a separate proposal for public comment at a later date.

Several small BHCs and one BHC association cited the cost to purchase software to submit the FR Y-9SP report electronically as prohibitive, and requested that small BHCs either be exempted from the electronic filing requirement, or that the Federal Reserve provide the means to file the report over the Internet. As referenced in the initial notice, the Federal Reserve provided the option to file the FR Y-9SP via the Internet in 2001 by means of data entry or file submission, referred to as the Internet Electronic Submission (IESUB) application. Bank holding companies interested in learning more about IESUB submission options should contact their district Federal Reserve Bank or go to [www.reportingandreserves.org](http://www.reportingandreserves.org) for additional information.

One accounting firm requested that report submission software allow for the attachment of a compilation report for financial statements that they prepare for a third party. Submission of such a compilation report to the Federal Reserve is not a reporting requirement for BHC reports. Accounting firms may choose to have BHC clients maintain a hard copy of their compilation reports in the files of the BHC. Another

accounting firm requested that reporting software allow for submission of Excel spreadsheets for the FR Y-9SP report and possibly other FR-Y series reports. FR Y-9SP and FR Y-9ES filers currently have the ability to submit text files created by Excel spreadsheets through IESUB, and they should contact their district Federal Reserve Bank or go to [www.reportingandreserves.org](http://www.reportingandreserves.org) for procedures for submitting such spreadsheets and information on other submission options.

One small BHC requested that the Federal Reserve provide an email notification to remind the institution that the report date is approaching. Reserve Banks will continue to provide notification in the same manner currently provided to respondents of reporting deadlines, changes to reporting requirements, and any pertinent supplemental instructions prior to each report date.

Another small BHC indicated that it does not own a computer and wishes to continue to submit paper reports. As indicated above, the Federal Reserve provides respondents the option to file the FR Y-9SP via the Internet by means of data entry. Information may be submitted through public Internet access, or respondents may choose to make arrangements for data submission through a private software vendor. Also one small BHC asked if software could allow for electronic signatures; however, current Federal Reserve and vendor software do not possess this feature. The BHC is only required to keep a signed copy in its files to meet the signature requirement.

In considering these comments, the Federal Reserve will implement the revised filing method as proposed. BHCs will be required to electronically submit all FR Y-9 reports effective with the June 30, 2003, report date for FR Y-9C and FR Y-9 LP filers and December 31, 2003, report date for FR Y-9SP and FR Y-9ES filers. The Federal Reserve will no longer accept paper copy reports from BHCs as of these reporting dates.

Board of Governors of the Federal Reserve System, March 26, 2003.

**Robert deV. Frierson**

*Deputy Secretary of the Board.*

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**FEDERAL RESERVE SYSTEM****Agency Information Collection  
Activities: Proposed Collection;  
Comment Request****AGENCY:** Board of Governors of the  
Federal Reserve System**ACTION:** Notice

**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, 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 OMB 83-I's and 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 June 2, 2003.

**ADDRESSES:** Comments may be mailed to Ms. Jennifer J. Johnson, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, N.W., Washington, DC 20551. However, because paper mail in the Washington area and at the Board of Governors is subject to delay, please consider submitting your comments by e-mail to [regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov), or faxing them to the Office of the Secretary at 202-452-3819 or 202-452-3102. Comments addressed to Ms. Johnson may also be delivered to the Board's mail facility in the West Courtyard between 8:45 a.m. and 5:15 p.m., located on 21st Street between Constitution Avenue and C Street, N.W. Members of the public may inspect comments in Room MP-500 between 9:00 a.m. and 5:00 p.m. on weekdays pursuant to 261.12, except as provided in 261.14, of the Board's Rules Regarding Availability of Information, 12 CFR 261.12 and 261.14.

A copy of the comments may also be submitted to the OMB desk officer for the Board: Joseph Lackey, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, Washington, DC 20503.

**FOR FURTHER INFORMATION CONTACT:** A copy of the proposed form and instructions, the Paperwork Reduction Act Submission (OMB 83-I), supporting statement, and other documents that will be placed into OMB's public docket files once approved may be requested from the agency clearance officer, whose name appears below.

Cindy Ayouch, 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.

**Proposals to Approve Under OMB  
Delegated Authority The Extension For  
Three Years, Without Revision, of the  
Following Reports:**

1. *Report title:* The Senior Loan Officer Opinion Survey on Bank Lending Practices

*Agency form number:* FR 2018

*OMB control number:* 7100-0058

*Frequency:* Up to six times a year

*Reporters:* Large U.S. commercial banks and large U.S. branches and agencies of foreign banks

*Annual reporting hours:* 1,008 hours  
*Estimated average hours per response:*

2 hour

*Number of respondents:* 84

Small businesses are not affected.

*General description of report:* This information collection is voluntary (12 U.S.C. §§248 (a), 324, 335, 3101, 3102, and 3105) and is given confidential treatment (5 U.S.C. § 552 (b)(4)).

*Abstract:* The FR2018 is conducted with a senior loan officer at each respondent bank up to six times a year. The purpose of the survey is to provide qualitative information with respect to bank credit developments on current price and flow developments and evolving techniques and practices in the U.S. banking sector. Consequently, a significant portion of the questions in each survey consists of unique questions on topics of timely interest. There is the option to survey other types of respondents (such as other depository institutions, bank holding companies, or corporations) should the need arise. The FR 2018 survey provides crucial information for monitoring and understanding the evolution of lending practices at banks and developments in credit markets.

2. *Report title:* Senior Financial Officer Survey

*Agency form number:* FR 2023

*OMB control number:* 7100-0223

*Frequency:* Up to four times per year

*Reporters:* Large commercial banks

*Annual reporting hours:* 240 hours  
*Estimated average hours per response:* 1 hour

*Number of respondents:* 60

Small businesses are not affected.

*General description of report:* This information collection is voluntary (12 U.S.C. §§ 225a, 248(a), and 263). It has been anticipated that most, if not all, of the information to be collected on the FR 2023 would be exempt from disclosure under subsection (b)(4) of the Freedom of Information Act (5 U.S.C. § 552 (b)(4)). However, it also is possible that some information that might be collected on this survey may not be exempt, depending on the specific questions to be asked. Thus, the confidentiality status of the survey would be determined on a case-by-case basis.

*Abstract:* The FR 2023 collects qualitative and limited quantitative information about liability management, the provision of financial services, and the functioning of key financial markets from a selection of sixty large commercial banks (or, if appropriate, from other depository institutions or major financial market participants). Although the primary panel of respondents has been, and will likely

continue to be, appropriate for most survey topics, panels based on alternative criteria may be more appropriate and efficient for some situations. Consequently, the option would continue to be available to survey other depository institutions or major participants in financial markets. This option greatly enhances the potential scope and utility of the survey. Responses are obtained from a senior officer at each participating institution through a telephone interview. The survey is conducted when major informational needs arise and cannot be met from existing data sources. The survey does not have a fixed set of questions; each survey consists of a limited number of questions directed at topics of timely interest. The survey helps pinpoint developing trends in bank funding practices, enabling the Federal Reserve to distinguish these trends from transitory phenomena.

**Proposal to Approve Under OMB Delegated Authority The Extend, With Revision, the Following Reports:**

*1. Report titles:* Quarterly Report of Interest Rates on Selected Direct Consumer Installment Loans and Quarterly Report of Credit Card Plans  
*Agency form numbers:* FR 2835, and FR 2835a

*OMB control number:* 7100-0085

*Frequency:* Quarterly

*Reporters:* Commercial banks

*Annual reporting hours:* FR 2835: 90 hours; and FR 2835a: 160 hours

*Estimated average hours per response:* FR 2835: 9 minutes; and FR 2835a: 30 minutes

*Number of respondents:* FR 2835: 150; and FR 2835a: 80

Small businesses are not affected.

*General description of report:* These information collections are voluntary (12 U.S.C. 248(a)(2)). The FR 2835a individual respondent data are given confidential treatment (5 U.S.C. 552 (b)(4)), the FR 2835 data however, is not given confidential treatment.

*Abstract:* The FR 2835 collects the most common interest rate charged at a sample of 150 commercial banks on two types of consumer loans made in a given week each quarter: new auto loans and other loans for consumer goods and personal expenditures.

The FR 2835a collects information on two measures of credit card interest rates from a sample of 100 commercial banks (authorized panel size), selected to include banks with \$1 billion or more in credit card receivables, and a representative group of smaller issuers. The data are representative of interest rates paid by consumers on bank credit cards because the panel includes

virtually all large issuers and an appropriate sample of other issuers.

*Current Actions:* The Federal Reserve proposes to decrease the authorized sample size for the FR 2835a from 100 commercial banks to 80 commercial banks; 24 banks currently report. The proposed decrease in panel size would lower the total estimated annual burden from 304 hours to 264 hours.

*2. Report title:* Bank Holding Company Report of Insured Depository Institutions' Section 23A Transactions with Affiliates

*Agency form numbers:* FR-Y8

*OMB control number:* 7100-0126

*Frequency:* Quarterly

*Reporters:* Bank holding companies (BHC), financial holding companies, and foreign banking organizations (FBO)  
*Annual reporting hours:* 159,619 hours

*Estimated average hours per response:* 7.8 hours

*Number of respondents:* 5,116

Small businesses are affected.

*General description of report:* This information collection is authorized by section 5(c) of the BHC Act (12 U.S.C. 1844 (c)) and section 225.5 (b) of Regulation Y (12 CFR 225.5 (b)) and is given confidential treatment pursuant to the Freedom of Information Act (5 U.S.C. 552 (b)(4) and (8)).

*Abstract:* This report collects information on transactions between an insured depository institution and its affiliates that are subject to section 23A of the Federal Reserve Act. The information is used to enhance the Federal Reserve's ability to monitor bank exposures to affiliates and to ensure compliance with section 23A of the Federal Reserve Act. Section 23A of the Federal Reserve Act is one of the most important statutes on limiting exposures to individual institutions and protecting against the expansion of the federal safety net.

*Current actions:* The Federal Reserve proposes the following changes to the data items collected on the FR Y-8, effective with the June 30, 2003, report date.

(1) Add a memoranda item to collect the maximum aggregate amount for all covered transactions for any single day during the calendar quarter. The collection of a single number representing the largest total end of day amount of all covered transactions in the quarter would enhance the Federal Reserve's ability to monitor and ensure ongoing compliance with section 23A.

(2) Add three items on derivative transactions between insured depository institutions and their affiliates: (1) Positive fair value of derivative contracts between the insured

depository institution and its affiliates; (2) amount of collateral pledged to the insured depository institution to secure contracts between the insured depository institution and its affiliates; and (3) notional amount of derivative contracts between the insured depository institution and its affiliates. Only insured depository institutions that engage in derivative transactions with their affiliates would complete the three items. The collection of these three items would assist the Federal Reserve in monitoring derivative transactions and establishing policy regulating such transactions.

(3) Modify the FR Y-8 cover page to allow the respondent to provide the email address of the person to whom questions about this report should be directed.

**Instructions**

The current reporting instructions and glossary would be revised and clarified to reflect interpretations and definitions in Regulation W, the rule that comprehensively implements sections 23A and 23B of the Federal Reserve Act. Interpretations and definitions included in Regulation W would modify the information reported in current line items and in some cases covered transactions would be reported in different line items of the report. The instructions for the FR Y-8 declaration page would be revised to (1) clarify that an insured depository institution is not required to complete page 2 or page 3 of the report if it only engaged in covered transactions that are exempt pursuant to sections 223.41 and 223.42 of Regulation W and (2) indicate that BHCs with derivative transactions between insured depository institutions and their affiliates must complete the report form.

Regulation W also applies section 23A to transactions between U.S. branches and agencies of foreign bank and affiliates of the foreign bank engaged in the United States in new Gramm-Leach-Bliley Act activities. However, over 95 percent of the U.S. branches and agencies are uninsured and would not fall within the scope of this report. Consistent with current reporting requirements, foreign banks would not be required to submit a FR Y-8 for their insured U.S. branches and agencies.

Board of Governors of the Federal Reserve System, March 26, 2003.

**Robert deV. Frierson,**

*Deputy Secretary of the Board.*

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