

Five commenters suggested that certain language be clarified, and several of these suggestions have been incorporated into the survey document. For example, the survey now more clearly indicates that checks converted to ACH transactions should be excluded, clarifies which types of losses should be included as check losses, and explains the difference between electronic check presentment and paper check presentment. Additionally, the survey document more clearly indicates that a respondent should check an estimate box if an answer is an estimate, or enter "DK" (don't know) if the respondent has volume of the type being measured, but is unable to report at least an estimate.

Board of Governors of the Federal Reserve System, October 11, 2005.

**Jennifer J. Johnson,**

*Secretary of the Board.*

[FR Doc. 05-20663 Filed 10-14-05; 8:45 am]

BILLING CODE 6210-01-P

## FEDERAL RESERVE SYSTEM

### Formations of, Acquisitions by, and Mergers of Bank Holding Companies

The companies listed in this notice have applied to the Board for approval, pursuant to the Bank Holding Company Act of 1956 (12 U.S.C. 1841 *et seq.*) (BHC Act), Regulation Y (12 CFR Part 225), and all other applicable statutes and regulations to become a bank holding company and/or to acquire the assets or the ownership of, control of, or the power to vote shares of a bank or bank holding company and all of the banks and nonbanking companies owned by the bank holding company, including the companies listed below.

The applications listed below, as well as other related filings required by the Board, are available for immediate inspection at the Federal Reserve Bank indicated. The application also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the standards enumerated in the BHC Act (12 U.S.C. 1842(c)). If the proposal also involves the acquisition of a nonbanking company, the review also includes whether the acquisition of the nonbanking company complies with the standards in section 4 of the BHC Act (12 U.S.C. 1843). Unless otherwise noted, nonbanking activities will be conducted throughout the United States. Additional information on all bank holding companies may be obtained from the National Information Center website at [www.ffiec.gov/nic/](http://www.ffiec.gov/nic/).

Unless otherwise noted, comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than November 10, 2005.

**A. Federal Reserve Bank of Atlanta** (Andre Anderson, Vice President) 1000 Peachtree Street, N.E., Atlanta, Georgia 30303:

1. *Flint Community Bancshares, Inc.*, Albany, Georgia; to become a bank holding company by acquiring 100 percent of the voting shares of Flint Community Bank, Albany, Georgia (in organization).

2. *SBT Bancorp, Inc.*, Clarkesville, Georgia; to become a bank holding company by acquiring 100 percent of the voting shares of Southern Bank & Trust, Clarkesville, Georgia (in organization).

**B. Federal Reserve Bank of Minneapolis** (Jacqueline G. King, Community Affairs Officer) 90 Hennepin Avenue, Minneapolis, Minnesota 55480-0291:

1. *Citizens Development Company*, Billings, Montana; to merge with Midwest Bancorporation, Billings, Montana, and thereby indirectly acquire Clarke County State Bank, Osceola, Iowa; Farmers and Merchants State Bank, Iroquois, South Dakota; and Farmers State Bank, Stickney, South Dakota.

2. *Citizens Development Company*, Billings, Montana; to merge with United Bancorporation, Billings, Montana, and thereby indirectly acquire Lincoln County Bank, Merrill, Wisconsin; United Bank, Osseo, Wisconsin; Bank of Poynette, Poynette, Wisconsin; and Cambridge State Bank, Cambridge, Wisconsin.

**C. Federal Reserve Bank of Kansas City** (Donna J. Ward, Assistant Vice President) 925 Grand Avenue, Kansas City, Missouri 64198-0001:

1. *Nebraska Bankshares, Inc.*, Farnam, Nebraska; to acquire up to 100 percent of the voting shares of First State Bank (also known as Holbrook Exchange Company, Holbrook, Nebraska (in organization)).

Board of Governors of the Federal Reserve System, October 12, 2005.

**Jennifer J. Johnson,**

*Secretary of the Board.*

[FR Doc. E5-5691 Filed 10-14-05; 8:45 am]

BILLING CODE 6210-01-S

## FEDERAL RESERVE SYSTEM

[Docket No. OP-1229]

### Federal Reserve Bank Services Private Sector Adjustment Factor

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Notice.

**SUMMARY:** The Board has approved modifications to the method for calculating the private sector adjustment factor, which imputes the costs that would have been incurred and profits that would have been earned, including the return on equity capital, had the Federal Reserve Banks' priced services been provided by a private sector business. When setting prices in 2006, the Board will use only the capital asset pricing model to determine the target return on equity capital. Rather than continuing the long-standing process of identifying a peer group to calibrate the target return on equity capital, the return on equity capital will be based on the rate of return for the equity market as a whole. The Board's method for setting the level of equity capital imputed to priced services would continue to be based on the Federal Deposit Insurance Corporation guidelines for a well-capitalized depository institution for insurance premium purposes. In addition, the Board will continue using the financial data from the top fifty bank holding companies by deposit balance to determine the priced-services effective tax rate each year.

**DATES:** This revised method will be used to calculate the targeted return on equity capital beginning with the 2006 price setting.

#### FOR FURTHER INFORMATION CONTACT:

Gregory L. Evans, Assistant Director (202/452-3945), Brenda L. Richards, Manager (202/452-2753), or Jonathan Mueller, Financial Analyst (202/530-6291); Division of Reserve Bank Operations and Payment Systems. Telecommunications Device for the Deaf (TDD) users may contact 202/263-4869.

#### SUPPLEMENTARY INFORMATION:

##### I. Background

The Monetary Control Act (MCA) requires that the Board establish fees for "priced services" provided to depository institutions to recover, over the long run, all direct and indirect costs actually incurred as well as imputed costs that would have been incurred, including financing costs, taxes, and certain other expenses, and the return on equity (profit) that would have been earned, if a private business