

- Conduct due diligence on third parties before selecting and entering into contracts. The degree of due diligence should be commensurate with the risk to the bank from the third-party relationship.

- ensure that alternative data usage comports with safe and sound operations. Appropriate data controls include rigorous assessment of the quality and suitability of data to support prudent banking operations. Additionally, the OCC's model risk management guidance contains important principles, including those that may leverage alternative data.

- analyze relevant consumer protection laws and regulations to understand the opportunities, risks, and compliance requirements before using alternative data. Based on that analysis, data that present greater compliance risk warrant more robust compliance management. Robust compliance management includes appropriate testing, monitoring, and controls to ensure that compliance risks are understood and addressed.

conducted in coordination with the Board of Governors of the Federal Reserve Board, Federal Deposit Insurance Corporation, and other banking agencies with similar authorities. The scope of examinations focuses on the services provided and key technology and operational controls communicated in the *FFIEC Information Technology Examination Handbook* and other regulatory guidance.

¹⁵ Existing OCC and interagency guidance potentially applicable to alternative data includes "Policy Statement on Discrimination in Lending" (59 FR 18266 (April 15, 1994)); OCC Bulletin 1997–24, "Credit Scoring Models: Examination Guidance;" OCC Bulletin 2011–12, "Sound Practices for Model Risk Management: Supervisory Guidance on Model Risk Management;" OCC Bulletin 2013–29, "Third-Party Relationships: Risk Management;" and OCC Bulletin 2017–43, "New, Modified, or Expanded Bank Products and Services: Risk Management Principles."

¹⁶ Refer to OCC Bulletin 2019–62, "Consumer Compliance: Interagency Statement on the Use of Alternative Data in Credit Underwriting," for more information about compliance risk management considerations regarding the use of alternative data. Also refer to Consumer Financial Protection Bureau (CFPB), "Request for Information Regarding Use of Alternative Data and Modeling Techniques in the Credit Process," 82 FR 11183 (February 21, 2017).

¹⁷ The information in this list is consistent with the Interagency Policy Statement on the Use of Alternative Data in Credit Underwriting.

- conduct ongoing monitoring on third parties in a manner and with a frequency commensurate with the risk to the bank from the third-party relationship.

- discuss its plans with an OCC portfolio manager, examiner-in-charge, or supervisory office if the use of alternative data from a third-party relationship constitutes a substantial deviation from the bank's existing business plans or material changes in the bank's use of alternative data.

Michael J. Hsu,

Acting Comptroller of the Currency.

By order of the Board of Governors of the Federal Reserve System

Ann Misback,

Secretary of the Board, Federal Deposit Insurance Corporation.

Dated at Washington, DC, on July 12, 2021.

James P. Sheesley,

Assistant Executive Secretary.

BILLING CODE 6210–01–P; 6714–01–P; 4810–33–P

[FR Doc. 2021–15308 Filed 7–16–21; 8:45 am]

BILLING CODE 4810–33–6210–01–6714–01P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

Proposed Collection; Comment Request for Form 7203

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice and request for comments.

SUMMARY: The Internal Revenue Service, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995 (PRA). The IRS is soliciting comments for Form 7203, S Corporation Shareholder Stock and Debt Basis Limitations.

DATES: Written comments should be received on or before September 17, 2021 to be assured of consideration.

ADDRESSES: Direct all written comments to Kinna Brewington, Internal Revenue Service, Room 6526, 1111 Constitution Avenue NW, Washington, DC 20224. You must reference the information collection's title, form number, reporting or record-keeping requirement number, and OMB number in your comment.

FOR FURTHER INFORMATION CONTACT:

Requests for additional information or copies of the form and instructions should be directed to Jon Callahan, (737) 800–7639, at Internal Revenue Service, Room 6526, 1111 Constitution Avenue NW, Washington, DC 20224, or through the internet at jon.r.callahan@irs.gov.

SUPPLEMENTARY INFORMATION: The IRS is currently seeking comments concerning the following information collection tools, reporting, and record-keeping requirements:

Title: S Corporation Shareholder Stock and Debt Basis Limitations.

OMB Number: 1545–XXXX.

Form Number: 7203.

Abstract: Internal Revenue Code (IRC) Section 1366 determines the shareholder's tax liability from an S corporation. IRC Section 1367 details the adjustments to basis including the increase and decrease in basis, income items included in basis, the basis of indebtedness, and the basis of inherited stock. Shareholders will use Form 7203 to calculate their stock and debt basis, ensuring the losses and deductions are accurately claimed.

Current Actions: There are no changes being made to this form at this time.

Type of Review: New Information Collection.

Affected Public: Individuals, Tax Exempt entities, and Estates and Trusts.

Estimated Number of Respondents: 70,000.

Estimated Time per Respondent: 3 hours, 46 minutes.

Estimated Total Annual Burden Hours: 257,600 hours.

The following paragraph applies to all of the collections of information covered by this notice:

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number. Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

Request for Comments: Comments submitted in response to this notice will

be summarized and/or included in the request for OMB approval. All comments will become a matter of public record. Comments are invited on:

- (a) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility;
- (b) the accuracy of the agency's estimate of the burden of the collection of information;
- (c) ways to enhance the quality, utility, and clarity of the information to be collected;
- (d) ways to

minimize the burden of the collection of information 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.

Approved: July 14, 2021.

Jon R. Callahan,

Tax Analyst.

[FR Doc. 2021-15257 Filed 7-16-21; 8:45 am]

BILLING CODE 4830-01-P