

One commenter, an insurance consultant, supported the proposed income statement changes relating to income from annuity sales, securities brokerage, and investment banking. However, this commenter also recommended that banks report additional detail on income from annuity sales, a change that the Agencies are not implementing.

5. Income From 1–4 Family Residential Mortgage Banking Activities

In new Schedule RC–P on 1–4 family residential mortgage banking activities, which will begin to be completed by certain banks beginning September 30, 2006, an item will be added to the schedule on March 31, 2007, to collect data on noninterest income generated from these activities. New item 5 of Schedule RC–P, “Noninterest income for the quarter from the sale, securitization, and servicing of closed-end 1–4 family residential mortgage loans,” will capture the portion of a bank’s “Net servicing fees,” “Net securitization income,” and “Net gains (losses) on sales of loans and leases” (current items 5.f, 5.g, and 5.i of Schedule RI) earned during the quarter that is attributable to 1–4 family residential mortgage loans. The March 31, 2007, effective date for this new Schedule RC–P item responds to commenters’ request that the Agencies delay the implementation of this schedule from its proposed March 31, 2006, effective date.

6. Revenues From Credit Derivatives and Related Exposures

In Schedule RI, Memorandum item 8, banks that reported average trading assets of \$2 million or more for any quarter of the preceding calendar year currently provide a four-way breakdown of trading revenue by type of risk exposure: interest rate, foreign exchange, equity, and commodity. Although banks also trade credit derivatives and credit cash instruments, there is no specific existing category in which to report the revenue from these trading activities. Accordingly, the Agencies proposed to add a new risk exposure category to Memorandum item 8 for credit derivatives.

One commenter stated that adding credit derivatives to the breakdown of trading revenue by type of exposure may not be meaningful because credit derivative positions are often hedged with cash instruments. After considering this comment, the Agencies have modified their proposal and will instead add a new risk exposure category for credit-related exposures effective March 31, 2007. In this new

Memorandum item 8.e, a bank should report its net gains (losses) from trading cash instruments and derivative contracts that it manages as credit exposures. The sum of Memorandum items 8.a through 8.e must equal the amount of trading revenue reported in the Call Report income statement in Schedule RI, item 5.c.

The Agencies are also adding new Memorandum items 9.a and 9.b to Schedule RI, “Income Statement,” as of March 31, 2007, in which banks must report the net gains (losses) recognized in earnings on credit derivatives that economically hedge credit exposures held outside the trading account, regardless of whether the credit derivative is designated as and qualifies as a hedging instrument under generally accepted accounting principles. Credit exposures outside the trading account include, for example, nontrading assets (such as available-for-sale securities or loans held for investment) and unused lines of credit. To address the commenter’s concern about the use of credit derivatives for hedging, banks will report such net gains (losses) on credit derivatives held for trading in Memorandum item 9.a and on credit derivatives held for purposes other than trading in Memorandum item 9.b. Thus, those net gains (losses) on credit derivatives reported in Schedule RI, Memorandum item 9.a, will also have been included in the amount reported in new Memorandum item 8.e of Schedule RI.

III. Request for Comment

Public comment is requested on all aspects of this joint notice. In addition, comments are invited on:

(a) Whether the proposed revisions to the Call Report 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 the Agencies. All comments will become a matter of public record. Written comments should address the accuracy of the burden estimates and ways to minimize burden as well as other relevant aspects of the information collection request.

Dated: February 10, 2006.

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 13, 2006.

Jennifer J. Johnson,

Secretary of the Board.

Dated at Washington, DC this 10th day of February, 2006.

Federal Deposit Insurance Corporation.

Valerie J. Best,

Assistant Executive Secretary.

[FR Doc. 06–1495 Filed 2–16–06; 8:45am]

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DEPARTMENT OF THE TREASURY

Fiscal Service

Surety Companies Acceptable on Federal Bonds: Name Change and Change in State of Incorporation—The Explorer Insurance Company

AGENCY: Financial Management Service, Fiscal Service, Department of the Treasury.

ACTION: Notice.

SUMMARY: This is Supplement No. 7 to the Treasury Department Circular 570, 2005 Revision, published July 1, 2005, at 70 FR 38502.

FOR FURTHER INFORMATION CONTACT: Surety Bond Branch at (202) 874–6507.

SUPPLEMENTARY INFORMATION: The Explorer Insurance Company, an Arizona corporation, has formally changed its name to Explorer Insurance Company, and has redomesticated from the state of Arizona to the state of California, effective September 27, 2005. The Company was last listed as an acceptable surety on Federal bonds at 70 FR 38516, July 1, 2005.

A Certificate of Authority as an acceptable surety on Federal bonds, dated today, is hereby issued under Sections 9304 to 9308 of Title 31 of the United States Code, to Explorer Insurance Company, San Diego, California. This new Certificate replaces the Certificate of Authority issued to the Company under its former name. The underwriting limitation of \$2,552,000 established for the Company as of July

1, 2005, remains unchanged until June 30, 2006. Federal bond-approving officers should annotate their reference copies of the Treasury Circular 570, 2005 Revision, on page 38516 to reflect this change.

The Circular may be viewed and downloaded through the Internet at <http://www.fms.treas.gov/c570>. A hard copy may be purchased from the Government Printing Office (GPO), Subscription Service, Washington, DC, telephone (202) 512-1800. When ordering the Circular from GPO, use the following stock number: 769-004-05219-0.

Questions concerning this notice may be directed to the U.S. Department of the Treasury, Financial Management Service, Financial Accounting and Services Division, Surety Bond Branch, 2700 East-West Highway, Room 6F01, Hyattsville, MD 20782.

Dated: February 9, 2006.

Vivian L. Cooper,

Director, Financial Accounting and Services Division, Financial Management Services.

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BILLING CODE 4810-35-M

DEPARTMENT OF THE TREASURY

Internal Revenue Service

Privacy Act of 1974: Computer Matching Program

AGENCY: Internal Revenue Service, Treasury.

ACTION: Notice of Matching Program.

SUMMARY: Pursuant to section 552a(e)(12) of the Privacy Act of 1974, as amended, and the Office of Management and Budget (OMB) Guidelines on the Conduct of Matching Programs, notice is hereby given of the conduct of the Internal Revenue Service Disclosure of Information to Federal, State and Local Agencies (DIFSLA) Computer Matching Program.

EFFECTIVE DATE: This notice will be effective March 20, 2006.

ADDRESSES: Inquiries may be mailed to the Director, Office of Governmental Liaison and Disclosure, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC 20224.

FOR FURTHER INFORMATION CONTACT: Samuel M. Farrow, Project Manager, Office of Governmental Liaison and Disclosure, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC 20224, 202-622-3444.

SUPPLEMENTARY INFORMATION: The notice of the matching program was last published on May 1, 2003, at 68 FR

23358. Members of the public desiring specific information concerning an ongoing matching activity may request a copy of the applicable computer matching agreement at the address provided above.

Purpose

The purpose of this program is to prevent or reduce fraud and abuse in certain federally assisted benefit programs while protecting the privacy interest of the subjects of the match. Information is disclosed by the Internal Revenue Service only for the purpose of, and to the extent necessary in, determining eligibility for, and/or the correct amount of, benefits for individuals applying for or receiving certain benefit payments.

Authority

In accordance with section 6103(l)(7) of the Internal Revenue Code (IRC), the Secretary shall, upon written request, disclose current return information from returns with respect to unearned income from the Internal Revenue Service files to any federal, state or local agency administering a program listed below:

(i) A state program funded under part A of Title IV of the Social Security Act;

(ii) Medical assistance provided under a state plan approved under Title XIX of the Social Security Act;

(iii) Supplemental security income benefits under Title XVI of the Social Security Act, and federally administered supplementary payments of the type described in section 1616(a) of such Act (including payments pursuant to an agreement entered into under section 212(a) of Public Law 93-66);

(iv) Any benefits provided under a state plan approved under Title I, X, XIV, or XVI of the Social Security Act (as those titles apply to Puerto Rico, Guam, and the Virgin Islands);

(v) Unemployment compensation provided under a state law described in section 3304 of the IRC;

(vi) Assistance provided under the Food Stamp Act of 1977;

(vii) State-administered supplementary payments of the type described in section 1616(a) of the Social Security Act (including payments pursuant to an agreement entered into under section 212(a) of Public Law 93-66);

(viii) (I) Any needs-based pension provided under Chapter 15 of Title 38, United States Code, or under any other law administered by the Secretary of Veterans Affairs;

(II) Parents' dependency and indemnity compensation provided under section 1315 of Title 38, United States Code;

(III) Health-care services furnished under sections 1710(a)(2)(G) (formerly 1710(a)(1)(I)), 1710(a)(3) (formerly 1710(a)(2)), 1710(b) and 1712(a)(2)(B) of Title 38, United States Code; and

(ix) Any housing assistance program administered by the Department of Housing and Urban Development that involves initial and periodic review of an applicant's or participant's income, except that return information may be disclosed under this clause only on written request by the Secretary of Housing and Urban Development and only for use by officers and employees of the Department of Housing and Urban Development with respect to applicants for and participants in such programs.

Name of Recipient Agency: Internal Revenue Service

Categories of records covered in the match: Internal Revenue Service Wage and Information Returns Processing file (Treasury/IRS System 22.061 (IRP)) for the latest tax year. This file contains information returns (e.g., Forms 1099-DIV, 1099-INT and W-2G) filed by payors of income.

Name of Source Agencies and Categories of Records Covered in the Match

A. Federal agencies expected to participate and their Privacy Act systems of records are:

1. Department of Veterans Affairs: Veterans Benefits Administration—Compensation, Pension and Education and Rehabilitation Records—VA, 58 VA 21/22; and Veterans Health Administration—Healthcare Eligibility Records, 89VA19;

2. Social Security Administration, Office of Systems Requirements—Supplemental Security Income record and Special Veterans Benefits, (60-0103).

B. State agencies expected to participate using non-federal systems of records are:

- Alabama Department of Human Resources
- Alabama Medicaid Agency
- Alaska Department of Health & Social Service
- Arizona Department of Economic Security
- Arizona Health Care Cost Containment System
- Arkansas Department of Human Services
- California Department of Social Services
- Colorado Department of Human Services
- Connecticut Department of Social Services
- Delaware Department of Health & Social Services