foreign bank, that access Fedwire through accounts in more than one Federal Reserve District are expected to manage their accounts so that the total daylight overdraft position across all accounts does not exceed their net debit caps. One Reserve Bank will act as the administrative Reserve Bank and will have overall risk-management responsibilities for institutions maintaining accounts in more than one Federal Reserve District. For domestic institutions that have branches in multiple Federal Reserve Districts, the administrative Reserve Bank generally will be the Reserve Bank where the head office of the bank is located.

In the case of families of U.S. branches and agencies of the same FBO, the administrative Reserve Bank generally is the Reserve Bank that exercises the Federal Reserve's oversight responsibilities under the International Banking Act.[81] The administrative Reserve Bank, in consultation with the management of the foreign bank's U.S. operations and with Reserve Banks in whose territory other U.S. agencies or branches of the same foreign bank are located, may determine that these agencies and branches will not be permitted to incur overdrafts in Federal Reserve accounts. Alternatively, the administrative Reserve Bank, after similar consultation, may allocate all or part of the foreign family's net debit cap to the Federal Reserve accounts of agencies or branches that are located outside of the administrative Reserve Bank's District; in this case, the Reserve Bank in whose Districts those agencies or branches are located will be responsible for administering all or part of this policy.[82]

H. Transfer-Size Limit on Book-Entry Securities [No Change]

By order of the Board of Governors of the Federal Reserve System, dated: December 18, 2008.

Jennifer J. Johnson,

Secretary of the Board.

[FR Doc. E8–30627 Filed 12–23–08; 8:45 am]

BILLING CODE 6210–01–P

[81] 12 U.S.C. 3101–3108.

[82] As in the case of Edge and agreement corporations and their branches, with the approval of the designated administrative Reserve Bank, a second Reserve Bank may assume the responsibility of managing and monitoring the net debit cap of particular foreign branch and agency families. This would often be the case when the payments activity and national administrative office of the foreign branch and agency family is located in one District, while the oversight responsibility under the International Banking Act is in another District. If a second Reserve Bank assumes management responsibility, monitoring data will be forwarded to the designated administrator for use in the supervisory process.

FEDERAL RESERVE SYSTEM

[Docket No. OP–1346]

Policy on Payment System Risk; Daylight Overdraft Posting Rules

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Notice.

SUMMARY: The Board has decided not to pursue at this time its proposal to change the posting time to 8:30 a.m. for commercial and government automated clearinghouse (ACH) debit transfers that are processed by the Federal Reserve Banks' (Reserve Banks) FedACH service. (All times are eastern time.) The proposal would have aligned the posting time for ACH debit transfers with the posting time for ACH credit transfers, which are currently posted at 8:30 a.m. on the settlement date. Commercial and government ACH debit transfers processed by the Reserve Banks' FedACH service will continue to be posted at 11 a.m., while commercial and government ACH credit transfers will continue to be posted at 8:30 a.m. The credit and debit accounting entries associated with ACH credit transfers and ACH debit transfers are posted simultaneously at the appointed posting time. In line with this decision, the Board will not move the posting time for Treasury Tax and Loan (TT&L) investments associated with Electronic Federal Tax Payment System (EFTPS) ACH debit transfers. These transactions will continue to be posted at 11 a.m. The Board will reconsider the proposal in the future.

FOR FURTHER INFORMATION CONTACT: Jeffrey Marquardt, Deputy Director (202–452–2360) or Susan Foley, Assistant Director (202–452–3596), Division of Reserve Bank Operations and Payment Systems, Board of Governors of the Federal Reserve System; for users of Telecommunications Device for the Deaf (''TDD'') only, contact (202) 263–4869.

SUPPLEMENTARY INFORMATION:

I. Background

On March 7, 2008, the Board requested comment on changing the posting time for commercial and government ACH debit transfers that are processed by the Reserve Banks' FedACH service to 8:30 a.m. (from 11 a.m.) on the settlement date to coincide with the posting time for commercial and government ACH credit transfers.[1] The Board outlined four potential benefits from shifting earlier the posting time for ACH debit transfers. First, for institutions that originate large values of ACH debit transfers, the liquidity needed to fund the settlement of ACH credit originations at 8:30 a.m. could be largely or entirely offset by the receipt of funds from the settlement of ACH debit transfers also at 8:30 a.m.[2] Second, the change could increase liquidity for institutions that originate ACH debit transfers over the Electronic Payments Network (EPN), the other ACH operator, but have transfers delivered to receiving depository institutions over the FedACH network (inter-operator transactions).[3] All ACH debit transfers would settle at 8:30 a.m. (with all ACH credit transfers) regardless of the operator through which the transfer is originated. Third, moving the posting time for ACH debit transfers to 8:30 a.m. would align the Reserve Banks' FedACH settlement times with those of EPN. The Reserve Banks' Retail Payments Office, which has primary responsibility for FedACH, believed that this change would remove competitive disparities between the two ACH operators and their participants that arise from different settlement times for ACH debit transfers. Fourth, the change would conform more closely to the Board's guidelines for measuring daylight overdrafts, specifically the principle that encourages posting times to be as close as possible to the delivery of payments to the receiving institution. Because FedACH payments are processed in the early morning hours, usually between 2 a.m. and 4 a.m., and payment advices are sent to depository institutions generally by 6 a.m., posting ACH debit transfers at 8:30 a.m. would shift the settlement time closer to the payment delivery time.

In its proposal, the Board also recognized that the simultaneous posting of ACH debit and credit transfers would reduce, on average, the available balances between 8:30 a.m. and 10:59 a.m. for the majority of FedACH participants (approximately 95 percent). The majority of FedACH participants currently gain balances from the posting of ACH credit transfers at 8:30 a.m. If ACH debit transfers are also posted at 8:30 a.m., the gain in balances for these institutions will either diminish or be eliminated. Many institutions would need to fund their Federal Reserve accounts through daylight overdrafts or other funding sources. The vast majority of

[1] See 73 FR 12443, March 7, 2008.

[2] Liquidity refers to balances and intraday credit available in Federal Reserve accounts to make payments.

[3] Inter-operator transactions are posted to the Federal Reserve accounts of the originating and receiving institutions according to the Board's posting rules for the underlying ACH transfers.

institutions that would need to fund their accounts are eligible to incur daylight overdrafts, but the Board estimated that there are at least thirty-five institutions affected that do not have access to intraday credit.

In addition to proposing the change to the posting rules for ACH debit transfers, the Board also intended, in consultation with the U.S. Treasury, to move the posting of TT&L investments associated with EFTPS ACH debit transfers to 8:30 a.m. The U.S. Treasury uses TT&L accounts to collect taxes and invest excess Treasury balances with depository institutions, including EFTPS tax payments collected through either ACH credit or debit transfers. The TT&L investments are currently posted at the same time as their respective ACH credit and debit transfers, at 8:30 a.m. and 11 a.m. The simultaneous posting for the collection of these tax payments and investment of excess tax funds collected is intended to minimize the effect of the daily tax collection on aggregate reserve balances of the banking system. The Board intended to shift the posting of TT&L investments associated with EFTPS ACH debit transfers to the same time as ACH debit transfers to continue to minimize the effect of fluctuations in government receipts on the intraday reserve balances of the banking industry.

II. Summary of Comments and Analysis

The Board received twenty-seven comment letters on its proposed policy to change the daylight overdraft posting rules. The commenters included eight commercial banking organizations, nine bankers' banks (including corporate credit unions), one government-sponsored entity (GSE), one Reserve Bank, one private-sector clearing and settlement system, and seven industry organizations. Nine commenters, including commercial banking organizations, the Reserve Banks' Retail Payments Office, and industry organizations, were generally supportive of the proposed changes to help reduce the intraday liquidity needs of certain depository institutions for ACH transfers. While supportive of the proposal, several of these commenters raised concerns about other institutions—particularly smaller institutions, institutions in western time zones, and those that do not have access to intraday credit—that would incur costs associated with the proposed change.

Seventeen commenters, including commercial banking organizations, bankers' banks, industry organizations, and a GSE, opposed the proposed change to posting rules. These commenters stated that the proposed change would increase daylight overdrafts and create significant funding and other costs for their institutions or members. Some of these commenters either do not have or represent those that do not have regular discount window access and thus do not have access to intraday credit under the Board's Policy on Payment System Risk (PSR).[4] These institutions would need to hold higher balances overnight at the Reserve Banks or find alternative sources to supply funding before 8:30 a.m. to avoid incurring daylight overdrafts and thereby avoid violating the PSR policy and incurring daylight overdraft penalty fees.

One commenter, a private-sector clearing and settlement system, indicated that it had no objection to the proposed change but noted that some depository institutions might incur greater daylight overdrafts. This commenter, as well as several others, recommended implementing the posting-rule change simultaneously with the proposed changes to the PSR policy.[5] The proposed PSR policy changes would allow institutions to pledge voluntarily collateral and obtain a zero daylight overdraft fee on the resulting collateralized daylight overdrafts. Institutions that might incur daylight overdrafts from earlier posting of ACH debit transfers would have the opportunity to collateralize all or a portion of their daylight overdrafts to reduce or eliminate daylight overdraft fees associated with the posting-rule change.

In responding to the proposal, the majority of commenters also addressed the questions raised by the Board on competitive disparities, availability of funds to customers of depository institutions, liquidity concerns, cost estimates, and implementation time frames.

The Board asked whether the differences in settlement times caused competitive disparities between the ACH operators or institutions that use one or the other operator. Eight commenters stated that they believed that there are no competitive disparities between ACH operators or their participating depository institutions or that the disparity resulting from the differences in settlement times is negligible. Three of these commenters mentioned that they consider a number of factors, including price and service levels, in choosing an operator and believed others use similar criteria in making a decision about what operator to use. Five commenters, however, believed that FedACH and large originating depository institutions using FedACH would be in a better position if they received credits earlier for the ACH debit transfers they originate. These commenters generally believed that FedACH and its customers are competitively disadvantaged relative to EPN and its customers because of differences in settlement timing.

The Board also requested feedback on whether customers of depository institutions would benefit from earlier availability of funds. Two respondents noted that the posting-rule change could have the opposite effect for the availability of funds for customers of bankers' banks. Such customers would need to hold a higher value of funds overnight and in the morning in order to cover the earlier debit for ACH debit transfers, which would reduce the availability of funds for those customers. Three commenters responded that the proposed change would not have an effect on the availability of funds to their customers and believed that there would be no change for most depository institutions. Some of these commenters and one additional commenter, however, acknowledged that the change could improve the availability of funds to customers at certain depository institutions. To the extent funds would be made available earlier, one commenter stated that businesses would be able to manage their cash positions earlier in the day and use those funds for other purposes.

The Board asked whether the proposed broad PSR policy changes, which include a zero fee for collateralized daylight overdrafts, might mitigate the liquidity concerns of originating institutions of ACH debits without changing the posting rules. The simultaneous posting of ACH credit and debit transfers could reduce the use of intraday liquidity for certain originating depository institutions because they would only need to fund the net amount at 8:30 a.m. Three commenters noted that the broad PSR policy changes alone would be sufficient to alleviate liquidity issues for most originating institutions. While in agreement with these three commenters, another respondent stated that liquidity concerns of large originating institutions could be best mitigated if both the proposed broad PSR policy changes and the proposed posting-rule change were adopted

[4] See the PSR policy at *http://www.federalreserve.gov/paymentsystems/psr/default.htm.*

[5] The Board issued a separate proposal to address broad changes to the PSR policy. See 73 FR 12417, March 7, 2008. The final rule for these broad policy changes is published elsewhere in today's **Federal Register**.

simultaneously. This commenter and the other eight supporters of the proposed change noted that simultaneous posting of ACH debits with ACH credits would reduce the liquidity certain originating depository institutions would need.

In addition, the Board sought feedback on whether the proposed broad PSR changes would mitigate liquidity pressures for receiving institutions if the posting-rule change were adopted. Six commenters stated that the simultaneous adoption of the broad PSR policy and posting-rule changes could mitigate liquidity issues created by the posting-rule change for receiving institutions. Most of these commenters, however, expressed concern about whether institutions, especially large receiving depository institutions, would have sufficient collateral to pledge to offset increases in daylight overdrafts. In addition to these commenters, four other commenters stated that either they or others do not have access to intraday credit and thus the proposed PSR policy changes would not mitigate the effect of the posting-rule change for those institutions. Two commenters requested that the Federal Reserve allow bankers' banks that do not have access to intraday credit to pledge collateral and receive collateralized intraday credit at a zero fee. Under the current eligibility criteria, collateralized credit at a zero fee would be restricted to accountholders that have access to intraday credit.

In response to questions on costs, four commenters stated that the cost of increased daylight overdrafts might not be significant if the broad PSR policy changes were simultaneously implemented, although two of these commenters indicated that some institutions, particularly large receivers of ACH debit transfers, might not have sufficient collateral or might not have access to daylight overdrafts and would incur increased costs. A range of commenters identified interest-related and other costs associated with the proposed posting-rule change. Fifteen commenters believed that institutions without access to intraday credit as well as their customers would be especially likely to suffer lost interest income. Several of these commenters discussed the opportunity cost of needing to fund their accounts the previous night, including over weekends and holidays, rather than investing in the market. Others discussed pursuing arrangements for the early return of fed funds loans. Commenters expressed doubt that counterparties would be willing to return fed funds loans before 8:30 a.m. and stated that reduced rates would be associated with such arrangements, if counterparties were willing.[6] One commenter also raised the option of holding greater contractual clearing balances to increase its earnings credits for Reserve Banks' services but stated the earnings credits would exceed its needs for Reserve Bank-provided priced services and would be at a rate lower than alternative investments.

Eight respondents also highlighted the daily variability that makes it difficult for receivers of ACH debit transfers to predict with certainty their net debit positions before the day of settlement. This variability might require institutions to hold higher overnight balances than actually needed to ensure sufficient funds to cover ACH debit transfers. For some, an alternative to holding overnight balances or obtaining the early return of fed funds loans would be to hold reserves voluntarily (and thus gain access to the discount window and eligibility for intraday credit), but commenters indicated that holding reserves would also entail significant costs.[7] In addition, three commenters noted that depository institutions located outside the eastern time zone, particularly smaller institutions, might incur additional staffing costs in order to manage their accounts before normal business hours.

For implementation, the Board stated that, if adopted, it would specify an effective date at least six months from the announcement of a final rule. In response, six commenters stated that six months or less would be a sufficient lead time for implementation, while two commenters noted that implementation in six months would be a hardship. Eight commenters requested that the Board align the implementation time of the posting-rule changes with the implementation of the broad PSR policy changes, although in citing a preference for simultaneous implementation, two of these commenters requested bankers' banks without access to intraday credit be able to pledge collateral for a zero fee.

Three commenters requested that the Board implement the posting-rule change after the Reserve Banks begin paying interest on Federal Reserve account balances. Paying interest on Federal Reserve account balances would reduce the opportunity cost of holding balances overnight at the Federal Reserve to cover the earlier posting of ACH debit transfers. In some cases, the interest paid by the Federal Reserve may be greater than rates available in the market, which would remove the opportunity cost of holding higher balances.[8] To the extent that the interest paid by the Federal Reserve is less than the interest that could be obtained in the market, however, institutions would still incur opportunity costs of holding balances at the Reserve Banks, but the incremental cost would be greatly reduced through the payment of interest on these balances. Paying interest on Federal Reserve account balances would also reduce the costs for bankers' banks to hold reserves voluntarily (by waiving their exemption from reserve requirements) to gain access to the discount window and eligibility for intraday credit. In holding reserves voluntarily, bankers' banks would have the possibility of using daylight overdrafts to cover the earlier posting of ACH debit transfers. While the original effective date for paying interest on Federal Reserve account balances was October 2011, the Board was granted authority for an earlier implementation in October 2008. The Board issued an interim final rule to outline its initial implementation for paying interest on Federal Reserve account balances, which began on October 9, while also requesting comment on certain aspects of the implementation.[9]

The Board has considered the comments on the proposed posting-rule change and has decided not to pursue the change at this time. Almost all commenters stated that the posting-rule change would place additional costs and liquidity pressures on many institutions, especially those institutions that do not have access to intraday credit at the Reserve Banks, smaller institutions, and West Coast institutions. Most commenters indicated that they do not believe significant competitive disparities between the ACH operators or depository

[6] Today, a typical agreement for the early return of fed funds loans includes a reduced rate and delivery by 9 a.m.

[7] Bankers' banks, including corporate credit unions, are depository institutions that are not required to maintain reserves under the Board's Regulation D (12 CFR 204) because they are organized solely to do business with other financial institutions, are owned primarily by the financial institutions with which they do business, and do not do business with the general public. Such bankers' banks also generally are not eligible for Reserve Bank discount window credit under the Board's Regulation A (12 CFR 201.2(c)(2)) and thus are not eligible for intraday credit under the Board's PSR policy. Bankers' banks may waive their exemption from reserve requirements under Regulation D to gain regular access to the discount window and eligibility for intraday credit.

[8] The rate paid by the Federal Reserve currently exceeds the effective rate for fed funds loans. Institutions have a significant incentive to hold balances, in particular excess balances (balances held in excess of required reserve balances and clearing balances), at the Reserve Banks.

[9] See 73 FR 59482, October 9, 2008.

institutions result from differences in settlement times. It also does not appear that customers of depository institutions would significantly benefit from ACH debit transfers being settled earlier in the day. In addition, the majority of commenters opposed the proposed change and several of those that supported the change raised significant concerns about its effect on other institutions.

The Board, however, believes that over time the payment of interest on Federal Reserve account balances and the broad PSR policy changes, which were announced separately today in the **Federal Register**, will significantly mitigate the concerns raised by commenters. Interest on Federal Reserve account balances will reduce the cost of holding balances overnight to fund earlier posting of ACH debits and may encourage institutions to hold reserves voluntarily, which would make them eligible for intraday credit. The broad PSR policy changes will also mitigate the cost of incurring greater daylight overdrafts through the voluntary pledging of collateral for a zero fee.

While not pursuing the original proposal at this time, the Board believes that the simultaneous posting of ACH credit and debit transfers at 8:30 a.m. would enhance the efficiency of the payment system in the long run. Institutions that originate large values of ACH debit transfers would benefit from the need for less liquidity to settle their ACH transfers. Such a change also would align the settlement times for all ACH transfers so that it would not matter through which operator an institution originated its ACH transfers. In addition, the change would conform more closely to the Board's guidelines for measuring daylight overdrafts. The Board will monitor changes in the environment as the industry adjusts to the initial implementation of paying interest on Federal Reserve account balances and other market events and will reconsider the proposed posting-rule change in the future.

By order of the Board of Governors of the Federal Reserve System, December 18, 2008.

Jennifer J. Johnson,

Secretary of the Board.

[FR Doc. E8–30628 Filed 12–23–08; 8:45 am]

BILLING CODE 6210–01–P

GENERAL SERVICES ADMINISTRATION

[OMB Control No. 3090–0007]

General Services Administration Acquisition Regulation; Information Collection; GSA Form 527, Contractor's Qualifications and Financial Information

AGENCY: Office of the Chief Finance Officer, GSA.

ACTION: Notice of request for comments regarding a renewal to an existing OMB clearance.

SUMMARY: Under the provisions of the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35), the General Services Administration will be submitting to the Office of Management and Budget (OMB) a request to review and approve a renewal of a currently approved information collection requirement regarding GSA Form 527, Contractor's Qualifications and Financial Information.

Public comments are particularly invited on: Whether this collection of information is necessary and whether it will have practical utility; whether our estimate of the public burden of this collection of information is accurate, and based on valid assumptions and methodology; ways to enhance the quality, utility, and clarity of the information to be collected.

DATES: Submit comments on or before: February 23, 2009.

FOR FURTHER INFORMATION CONTACT: Norma Tolson, Accountant, Office of the Chief Financial Officer, Office of Finance, at (202) 208–0584 or via e-mail at *norma.tolson@gsa.gov*.

ADDRESSES: Submit comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to the Regulatory Secretariat (VPR), General Services Administration, Room 4041, 1800 F Street, NW., Washington, DC 20405. Please cite OMB Control No. 3090–0007, GSA Form 527, Contractor's Qualifications and Financial Information, in all correspondence.

SUPPLEMENTARY INFORMATION:

A. Purpose

The General Services Administration will be requesting the Office of Management and Budget to extend information collection 3090–0007, concerning GSA Form 527, Contractor's Qualifications and Financial Information. This form is used to determine the financial capability of prospective contractors as to whether they meet the financial responsibility standards in accordance with the Federal Acquisition Regulation (FAR) and the General Services Administration Acquisition Manual (GSAM).

B. Annual Reporting Burden

Respondents: 2,940.
Responses Per Respondent: 1.2.
Total Responses: 3,528.
Hours Per Response: 2.5.
Total Burden Hours: 8,820.
Obtaining Copies of Proposals: Requesters may obtain a copy of the information collection documents from the General Services Administration, Regulatory Secretariat (VPR), 1800 F Street, NW., Room 4041, Washington, DC 20405, telephone (202) 501–4755. Please cite OMB Control No. 3090–0007, GSA Form 527, Contractor's Qualifications and Financial Information, in all correspondence.

Dated: December 17, 2008.

Casey Coleman,

Chief Information Officer, Office of the Chief Information Officer.

[FR Doc. E8–30567 Filed 12–23–08; 8:45 am]

BILLING CODE 6820–34–P

GENERAL SERVICES ADMINISTRATION

[OMB Control No. 3090–0277]

Office of Citizen Services and Communications; Information Collection; Market Research Collection

AGENCY: Office of Citizen Services and Communications, GSA.

ACTION: Notice of request for comments regarding a renewal to an existing OMB clearance.

SUMMARY: Under the provisions of the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35), the General Services Administration will be submitting to the Office of Management and Budget (OMB) a request to review and approve a renewal of a currently approved information collection requirement regarding Market Research for the Office of Citizen Services and Communications. The OMB clearance currently expires on April 30, 2009.

This information collection will be used to determine the utility and ease of use of GSA's Web site, *http://www.gsa.gov.* The respondents include individuals and representatives from businesses currently holding GSA contracts.

Public comments are particularly invited on: Whether this collection of information is necessary and whether it