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All filings must be addressed to the Commission's Secretary, Marlene H. Dortch, Office of the Secretary, Federal Communications Commission, 445 12th Street, SW., Washington, DC 20554. Documents in RM No. 11592, including a copy of the petition, are available for public inspection and copying during business hours at the FCC Reference Information Center, Portals II, 445 12th Street, SW., Room CY-A257, Washington, DC 20554. The documents may also be purchased from BCPI, telephone (202) 488-5300, facsimile (202) 488-5563, TTY (202) 488-5562, e-mail fcc@bcpiweb.com.

This matter shall be treated as a "permit-but-disclose" proceeding in accordance with the Commission's *ex parte* rules. See 47 CFR 1.1200, 1.1206. Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentations must contain summaries of the substance of the presentations and not merely a listing of the subjects discussed. More than a one- or two-sentence description of the views and arguments presented generally is required. See 47 CFR 1.1206(b). Other rules pertaining to oral and written *ex parte* presentations in permit-but-disclose proceedings are set forth in section 1.1206(b) of the Commission's rules, 47 CFR 1.1206(b).

FOR FURTHER INFORMATION CONTACT: Won Kim, Spectrum and Competition Policy Division, Wireless Telecommunications Bureau, at (202) 418-1368.

SUPPLEMENTARY INFORMATION: This is a summary of the Commission's Public Notice in RM No. 11592 and DA 10-278, released on February 18, 2010. On September 29, 2009, an alliance comprised of four Lower 700 MHz Band A Block licensees (Petitioners) filed a petition for rulemaking, asking the Commission to "assure that consumers will have access to all paired 700 MHz spectrum that the Commission licenses, to act so that the entire 700 MHz band will develop in a competitive fashion, and to adopt rules that prohibit restrictive equipment arrangements that are contrary to the public interest."¹

¹ 700 MHz Block A Good Faith Purchaser Alliance Petition for Rulemaking Regarding the Need for 700 MHz Mobile Equipment to be Capable of Operating on All Paired Commercial 700 MHz Frequency Blocks, filed Sept. 29, 2009 (Petition), at

Specifically, the Petitioners ask the Commission to require that all mobile units for the 700 MHz band be capable of operating over all frequencies in the band.² The Petitioners further request "an immediate freeze on the authorization of mobile equipment that is not capable of operation on all paired commercial 700 MHz frequencies."³ The Wireless Telecommunications Bureau seeks comment on the Petition.⁴ AT&T and Verizon Wireless have indicated that they are pursuing 700 MHz Long Term Evolution (LTE) mobile devices that operate over the 700 MHz spectrum blocks associated with some or all of their own respective 700 MHz band licenses but that do not include the Lower 700 MHz Band A Block (A Block).⁵ The Petitioners assert that these "equipment design and procurement practices contravene the public interest," arguing that, if the equipment offered by these large carriers does not operate over A Block, mobile 700 MHz "equipment needed by [A Block] licensees in smaller volumes will likely be available only later in time and at considerably higher price points."⁶ The Petitioners also argue that such practices "are unjustly discriminatory and anticompetitive" in violation of Sections 201(b) and 202(a) of the Communications Act (Act), and that they are in conflict with other provisions of the Act, including the universal service goals of Section 254(b)(3) and the license application review criteria of Section 307(b).⁷

The Wireless Telecommunications Bureau seeks comment on relevant technical, legal, economic, and policy issues involving the Petitioners' request that the Commission commence a rulemaking proceeding. The

1. The Alliance is a "joint venture" consisting of Cellular South Licenses, Inc.; Cavalier Wireless, LLC; Continuum 700, LLC; and King Street Wireless, L.P., each of which is currently the licensee of Lower 700 MHz Band A Block spectrum. *Id.*

² Petition at iii, 12.

³ Petition at 1-2.

⁴ The Bureau notes that several parties have already filed comments in various proceedings that discuss either the Petition or substantially similar issues. See, e.g., Cellular South Comments, WT Docket No. 09-66 (filed Sept. 30, 2009) at 8-15; Verizon Wireless Reply Comments, WT Docket No. 09-66 (filed Oct. 22, 2009), at 85-92; AT&T, Inc. Reply Comments, WT Docket No. 09-66 (filed Oct. 22, 2009) (AT&T Reply Comments), at 70-72; Verizon Wireless *Ex parte*, WT Docket No. 09-66; GN Docket No. 09-157 (filed Dec. 18, 2009) (Verizon *Ex parte*); Qualcomm *Ex parte*, WT Docket No. 09-66; GN Docket No. 09-157 (filed Jan. 25, 2010); Motorola Comments, RM-11592 (filed Feb. 12, 2010).

⁵ See AT&T Reply Comments at 72; Verizon Wireless *Ex parte* at 7.

⁶ Petition at 2, 4.

⁷ Petition at 7-9.

Commission notes, for instance, that devices capable of operating in the A Block will be using spectrum adjacent to the full-power DTV broadcasting operations on Channel 51, and to the Lower 700 MHz Band E Block, which may be used for higher-powered mobile services under Commission rules.

Federal Communications Commission.

Ruth Milkman,

Chief, Wireless Telecommunications Bureau.

[FR Doc. 2010-4140 Filed 2-26-10; 8:45 am]

BILLING CODE 6712-01-P

FEDERAL RESERVE SYSTEM

Agency Information Collection Activities: Announcement of Board Approval Under Delegated Authority and Submission to OMB; Correction

This notice corrects a notice (FR Doc. 2010-3578) published on pages 8355 through 8362 of the issue for February 24, 2010.

Under the Federal Reserve System heading, the entry for Agency Information Collection Activities: Announcement of Board Approval Under Delegated Authority and Submission to OMB, is revised to read as follows:

SUMMARY: *Background.* Notice is hereby given of the final approval of proposed information collections by the Board of Governors of the Federal Reserve System (Board) under OMB delegated authority, as per 5 CFR 1320.16 (OMB Regulations on Controlling Paperwork Burdens on the Public). Board-approved collections of information are incorporated into the official OMB inventory of currently approved collections of information. Copies of the Paperwork Reduction Act Submission, 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.

FOR FURTHER INFORMATION CONTACT:

Federal Reserve Board Clearance Officer—Michelle Shore—Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, DC 20551 (202-452-3829)

OMB Desk Officer—Shagufta Ahmed—Office of Information and Regulatory Affairs, Office of Management and Budget, New

Executive Office Building, Room 10235, Washington, DC 20503.

Final approval under OMB delegated authority of the revision, without extension, of the following reports:

1. *Report title:* Consolidated Financial Statements for Bank Holding Companies.

Agency form number: FR Y-9C.

OMB control number: 7100-0128.

Frequency: Quarterly.

Reporters: BHCs.

Estimated annual reporting hours: 174,070 hours.

Estimated average hours per response: 42.25 hours.

Number of respondents: 1,030.

General description of report: This information collection is mandatory (12 U.S.C. 1844(c)). Confidential treatment is not routinely given to the data in these reports. However, confidential treatment for the reporting information, in whole or in part, can be requested in accordance with the instructions to the form, pursuant to sections (b)(4), (b)(6) and (b)(8) of the Freedom of Information Act (5 U.S.C. 552(b)(4), (b)(6) and (b)(8)).

Abstract: The FR Y-9 family of reports historically has been, and continues to be, the primary source of financial information on BHCs between on-site inspections. Financial information from these reports is used to detect emerging financial problems, to review performance and conduct pre-inspection analysis, to monitor and evaluate capital adequacy, to evaluate BHC mergers and acquisitions, and to analyze a BHC's overall financial condition to ensure safe and sound operations.

The FR Y-9C consists of standardized financial statements similar to the Federal Financial Institutions Examination Council (FFIEC) Consolidated Reports of Condition and Income (Call Reports) (FFIEC 031 & 041; OMB No. 7100-0036) filed by commercial banks. The FR Y-9C collects consolidated data from BHCs. The FR Y-9C is filed by top-tier BHCs with total consolidated assets of \$500 million or more. (Under certain circumstances defined in the General Instructions, BHCs under \$500 million may be required to file the FR Y-9C.)

Current Actions: On September 25, 2009, the Federal Reserve published a notice in the **Federal Register** (74 FR 48960) requesting public comment for 60 days on the revision, without extension, of the FR Y-9C report. The comment period for this notice expired on November 24, 2009. The Federal Reserve received one comment letter on this proposal. In addition, the Federal Reserve, Federal Deposit Insurance

Corporation (FDIC), and Office of the Comptroller of the Currency (OCC) (the banking agencies) received six comment letters on proposed revisions to the Consolidated Reports of Condition and Income (Call Reports) (FFIEC 031 & 041; OMB No. 7100-0036) that parallel the proposed revisions to the FR Y-9C and are taken into consideration for this proposal.

Summary of Comments

The Federal Reserve received one comment letter from a bankers' organization on proposed revisions to the FR Y-9C (who also submitted comparable comments on proposed changes to the Call Report). In addition, the banking agencies received comment letters from six organizations: two banks, one bank holding company (BHC), two bankers' organizations, and a bank insurance consultant on proposed changes to the Call Report, many of which parallel proposed changes to the FR Y-9C and are taken into consideration for this proposal.

None of the commenters addressed all aspects of the proposed changes to the FR Y-9C and Call Report. Rather, individual respondents commented on one or more of the proposed changes. Four of the commenters offered general views on the overall proposal. One bank expressed general support for the proposal and identified a few items that deserved further consideration. The bankers' organization commented that its members expressed no concerns with many of the proposed changes, but it urged the Federal Reserve and the banking agencies to consider several suggested changes in the final revisions. The organization's suggested changes also included the proposed collection of data in one subject area that was not addressed in the proposal.

One bank opposed the proposed revisions, stating they would not improve the safety and soundness of any banking organization, yet would add to banking organizations' costs of operations. While an important use of FR Y-9C data is to assist the Federal Reserve in fulfilling their supervisory responsibilities with respect to the safety and soundness of individual BHCs as well as the banking system as a whole, FR Y-9C data are also used for a variety of other purposes, such as supporting the conduct of monetary policy and assessing the availability of credit. Furthermore, in developing the FR Y-9C revisions for 2010, the Federal Reserve carefully considered the purposes for which the proposed additional data would be used, which are described in the September 25, 2009, **Federal Register** notice and, to the

extent appropriate, in this **Federal Register** notice. The Federal Reserve also considered the estimated cost and burden to BHCs of reporting these additional data.

The following section of this notice describes the proposed FR Y-9C report changes and discusses the Federal Reserve's evaluation of the comments received on the proposed changes, including modifications made in response to those comments. The following section also addresses the Federal Reserve's response to the recommendation from the bankers' organization concerning the collection of certain additional data that had not been included in the September 25, 2009, notice.

After considering the comments, the Federal Reserve will move forward in 2010 with the proposed reporting changes after making certain modifications in response to the comments. In addition, the Federal Reserve will add four data items to the FR Y-9C on assets covered by FDIC loss-sharing agreements in response to the recommendation from the bankers' organization.

The Federal Reserve recognizes institutions' need for lead time to prepare for reporting changes. Thus, consistent with longstanding practice, for the March 31, 2010, report date, BHCs may provide reasonable estimates for any new or revised FR Y-9C data item initially required to be reported as of that date for which the requested information is not readily available. Furthermore, the specific wording of the captions for the new or revised FR Y-9C data items discussed in this notice and the numbering of these data items should be regarded as preliminary.

I. FR Y-9C Revisions Proposed for March 2010

The Federal Reserve and the banking agencies received either no comments on or comments expressing support for the following revisions that were proposed to take effect as of March 31, 2010, and therefore the Federal Reserve will implement these revisions as proposed:

- New Memorandum items in Schedule HI, Income Statement, identifying total other-than-temporary impairment losses on debt securities, the portion of the total recognized in other comprehensive income, and the net losses recognized in earnings, consistent with the presentation requirements of a recent accounting standard;
- Clarification of the instructions for reporting brokered deposits in Schedule HC-E, and

- Reformatting of loan information collected on Schedule HC–K, Quarterly Averages.

The Federal Reserve and the banking agencies received one or more comments addressing or otherwise relating to each of the following proposed revisions:

- Clarification of the instructions for reporting unused commitments in Schedule HC–L, Derivatives and Off-Balance-Sheet Items;
 - Breakdowns of the existing data items in Schedule HC–L for unused credit card lines and other unused commitments, with the former breakdown required only for certain institutions, and a related breakdown of the existing data item for other loans in Schedule HC–C, Loans and Lease Financing Receivables; and
 - Clarification of impact of FAS Statements Nos. 166 and 167¹ on the reporting instructions, and related potential future proposed revisions.

The Federal Reserve and the banking agencies also received one comment recommending the addition of data to the FR Y–9C on assets covered by FDIC loss-sharing agreements, which the Federal Reserve had not proposed.

A. Clarification of the Instructions for Reporting Unused Commitments

BHCs report unused commitments in data item 1 of Schedule HC–L, Derivatives and Off-Balance Sheet Items. The instructions for this data item identify various arrangements that should be reported as unused commitments, including but not limited to commitments for which the BHC has charged a commitment fee or other consideration, commitments that are legally binding, loan proceeds that the BHC is obligated to advance, commitments to issue a commitment, and revolving underwriting facilities. However, the Federal Reserve has found that some BHCs have not reported commitments that they have entered into until they have signed the loan agreement for the financing that they have committed to provide. Although the Federal Reserve considers these arrangements to be commitments to issue a commitment and within the scope of the existing instructions for

reporting commitments in Schedule HC–L, the Federal Reserve believes that these instructions may not be sufficiently clear. Therefore, the Federal Reserve proposed to revise the instructions for Schedule HC–L, data item 1, Unused commitments, to clarify that commitments to issue a commitment at some point in the future are those where the BHC has extended terms and the borrower has accepted the offered terms, even though the related loan agreement has not yet been signed.

One bank and the bankers' organization commented on this proposed revision to the instructions for reporting commitments to issue a commitment. The bank recommended that these instructions "should include only terms extended and accepted in writing to allow the banks to develop a reliable tracking system." Similarly, the bankers' organization recommended that the commitment be in writing, but also stated that banking organizations should only be required to report when the commitment "has an expiration date of greater than 90 days." The bankers' organization further added that it "would be exceedingly difficult to capture commitments that have an expiration date of 90 days or less and that are not in writing." The organization requested that the Federal Reserve and the banking agencies delay the effective date of the revised instructions for reporting commitments to issue a commitment by at least six months "to allow [banking organizations] sufficient time to adjust their systems."

The Federal Reserve generally agrees with the recommendation that the instructions for reporting commitments to issue a commitment should cover situations where the terms extended and accepted are in writing. However, in those circumstances where the extension and acceptance of the terms are not in writing but are legally binding on both the BHC and the borrower under applicable law, the Federal Reserve believes that such commitments should be reported. Furthermore, when the terms of a commitment to issue a commitment have been extended and accepted in writing or, if not in writing, are legally binding, the Federal Reserve believes that it is a sound banking practice and a sound internal control for the BHC entering into such commitments to maintain an appropriate tracking system for the commitments whether or not there is a related regulatory reporting requirement.

Accordingly, the Federal Reserve recommends revising the proposed instructional clarification pertaining to

the reporting of commitments to issue a commitment in Schedule HC–L, data item 1, Unused commitments, to state that commitments to issue a commitment at some point in the future are those where the BHC has extended terms, the borrower has accepted the offered terms, and the terms extended and accepted are in writing or, if not in writing, are legally binding on the BHC and the borrower, even though the related loan agreement has not yet been signed. Although the Federal Reserve will not delay the effective date for this instructional clarification, BHCs will be reminded that, because of the revision to the instructions for reporting commitments to issue a commitment in Schedule HC–L, data item 1, they may provide a reasonable estimate of the amount of such commitments in their FR Y–9C reports for March 31, 2010. In response to the comments received, the revised instructions for Schedule HC–L, data item 1, would read as follows:

Report in the appropriate subitem the unused portions of commitments. Unused commitments are to be reported gross, *i.e.*, include in the appropriate subitem the unused amount of commitments acquired from and conveyed or participated to others. However, exclude commitments conveyed or participated to others that the bank holding company is not legally obligated to fund even if the party to whom the commitment has been conveyed or participated fails to perform in accordance with the terms of the commitment.

For purposes of this item, commitments include:

- (1) Commitments to make or purchase extensions of credit in the form of loans or participations in loans, lease financing receivables, or similar transactions.
- (2) Commitments for which the bank holding company has charged a commitment fee or other consideration.
- (3) Commitments that are legally binding.
- (4) Loan proceeds that the bank holding company is obligated to advance, such as:
 - (a) Loan draws;
 - (b) Construction progress payments; and
 - (c) Seasonal or living advances to farmers under prearranged lines of credit.
- (5) Rotating, revolving, and open-end credit arrangements, including, but not limited to, retail credit card lines and home equity lines of credit.
- (6) Commitments to issue a commitment at some point in the future, where the bank holding company has extended terms, the borrower has accepted the offered terms, and the extension and acceptance of the terms are in writing or, if not in writing, are legally binding on the bank holding company and the borrower, even though the related loan agreement has not yet been signed.
- (7) Overdraft protection on depositors' accounts offered under a program where the bank holding company advises account holders of the available amount of overdraft protection, for example, when accounts are

¹ Statement of Financial Accounting Standards (FAS Statements) No. 166, *Accounting for Transfers of Financial Assets*, amends FAS Statement No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*. FAS Statement No. 167, *Amendments to Financial Accounting Standards Board (FASB) Interpretation No. 46(R)*, amends FASB Interpretation No. 46(R), *Consolidation of Variable Interest Entities*. In general, under the FASB Accounting Standards Codification™, see Topics 860, Transfers and Servicing, and 810, Consolidation.

opened or on depositors' account statements or ATM receipts.

(8) The bank holding company's own takedown in securities underwriting transactions.

(9) Revolving underwriting facilities (RUFs), note issuance facilities (NIFs), and other similar arrangements, which are facilities under which a borrower can issue on a revolving basis short-term paper in its own name, but for which the underwriting bank holding company has a legally binding commitment either to purchase any notes the borrower is unable to sell by the rollover date or to advance funds to the borrower.

Exclude forward contracts and other commitments that meet the definition of a derivative and must be accounted for in accordance with FASB Accounting Standards Codifications Subtopic 815-10, Derivatives and Hedging—Overall (formerly referred to as Statement No. 133), which should be reported in Schedule HC-L, item 13. Include the amount (not the fair value) of the unused portions of loan commitments that do not meet the definition of a derivative that the bank holding company has elected to report at fair value under a fair value option. Also include forward contracts that do not meet the definition of a derivative.

The unused portions of commitments are to be reported in the appropriate subitem regardless of whether they contain "material adverse change" clauses or other provisions that are intended to relieve the issuer of its funding obligations under certain conditions and regardless of whether they are unconditionally cancelable at any time.

In the case of commitments for syndicated loans, report only the bank holding company's proportional share of the commitment.

For purposes of reporting the unused portions of revolving asset-based lending commitments, the commitment is defined as the amount a bank holding company is obligated to fund—as of the report date—based on the contractually agreed upon terms. In the case of revolving asset-based lending, the unused portions of such commitments should be measured as the difference between (a) the lesser of the contractual borrowing base (*i.e.*, eligible collateral times the advance rate) or the note commitment limit, and (b) the sum of outstanding loans and letters of credit under the commitment. The note commitment limit is the overall maximum loan amount beyond which the bank holding company will not advance funds regardless of the amount of collateral posted. This definition of "commitment" is applicable only to revolving asset-based lending, which is a specialized form of secured lending in

which a borrower uses current assets (*e.g.*, accounts receivable and inventory) as collateral for a loan. The loan is structured so that the amount of credit is limited by the value of the collateral.

B. Additional Categories of Unused Commitments and Loans

The extent to which banks and other financial intermediaries are reducing the supply of credit during the current financial crisis has been of great interest to the Federal Reserve and to Congress. Also, BHC lending plays a central role in any economic recovery and the Federal Reserve needs data to better determine when credit conditions ease. One way to measure the supply of credit is to analyze the change in total lending commitments by BHCs, considering both the amount of loans outstanding and the volume of unused credit lines. These data are also needed for safety and soundness purposes because draws on commitments during periods when BHCs face significant funding pressures, such as during the Fall of 2008, can place significant and unexpected demands on the liquidity and capital positions of BHCs. Therefore, the Federal Reserve proposed breaking out in further detail two categories of unused commitments on Schedule HC-L, Derivatives and Off-Balance-Sheet Items. The Federal Reserve also proposed to break out in further detail one new loan category on Schedule HC-C, Loans and Lease Financing Receivables. These new data items would improve the Federal Reserve's ability to get timely and accurate readings on the supply of credit to households and businesses. These data would also be useful in determining the effectiveness of the government's economic stabilization programs.

Unused commitments associated with credit card lines are currently reported in Schedule HC-L, data item 1.b. This data item is not meaningful for monitoring the supply of credit because it mixes consumer credit card lines with credit card lines for businesses and other entities. As a result of this aggregation, it is not possible to fully monitor credit available specifically to households. Furthermore, the Federal Reserve would benefit from the split because the usage patterns, profitability, and evolution of credit quality through the business cycle are likely to differ for consumer credit cards and business credit cards. Therefore, the Federal Reserve proposed to split Schedule HC-L, data item 1.b into unused consumer credit card lines and other unused credit card lines. Draws from these credit lines that have not been sold are already reported on Schedule HC-C. For

example, BHCs must report draws on credit cards issued to nonfarm nonfinancial businesses as commercial and industrial (C&I) loans in Schedule HC-C, data item 4, and draws on personal credit cards as consumer loans in Schedule HC-C, data item 6.a.

Schedule HC-L, data item 1.e, aggregates all other unused commitments and includes unused commitments to fund C&I loans (other than credit card lines to commercial and industrial enterprises, which are reported in data item 1.b, and commitments to fund commercial real estate, construction, and land development loans not secured by real estate, which are reported in data item 1.c.(2)). Separating these C&I lending commitments from the other commitments included in other unused commitments would considerably improve the Federal Reserve's ability to analyze business credit conditions. A very large percentage of banks responding to the Federal Reserve's Senior Loan Officer Opinion Survey on Bank Lending Practices (FR 2018; OMB No. 7100-0058) reported having tightened lending policies for C&I loans and credit lines during 2008; however, C&I loans on banks' balance sheets expanded through the end of October 2008, reportedly as a result of substantial draws on existing credit lines. In contrast, other unused commitments reported on the Call Report contracted. Without the proposed breakouts of such commitments, it was not possible to know how total business borrowing capacity had changed. The FR 2018 data do not suffice because they are qualitative rather than quantitative and are collected only from a sample of institutions up to six times per year. Having the additional unused commitment data reported separately on the FR Y-9C (and Call Report), along with the proposed changes to schedule HC-C described below, would have indicated more clearly whether there was a widespread restriction in new credit available to businesses.

Therefore, the Federal Reserve proposed to split Schedule HC-L, data item 1.e into three categories: (1) Unused commitments to fund commercial and industrial loans (which would include only commitments not reported in Schedule HC-L, data items 1.b and 1.c.(2), for loans that, when funded, would be reported in Schedule HC-C, data item 4), (2) unused commitments to fund loans to financial institutions (defined to include depository institutions and nondepository institutions such as real estate investment trusts, mortgage

companies, holding companies of other depository institutions, insurance companies, finance companies, mortgage finance companies, factors and other financial intermediaries, short-term business credit institutions, personal finance companies, investment banks, bank's own trust department, other domestic and foreign financial intermediaries, and Small Business Investment Companies), and (3) all other unused commitments.

With respect to Schedule HC-C, the Federal Reserve proposed to split data item 9.b for all other loans into loans to nondepository financial institutions (as defined above) and all other loans. BHCs already report data on loans to depository institutions in Schedule HC-C, data item 2. This change to schedule HC-C would allow the Federal Reserve to fully analyze the information gained by splitting data item 1.e on Schedule HC-L. Lending by nondepository financial institutions was a key characteristic of the recent credit cycle and many such institutions failed, but little information existed on the exposure of the banking system to those firms as this information was obscured by the current structure of the FR Y-9C and Call Report loan schedule. The proposed addition of separate data items for unused commitments to financial institutions and loans to nondepository financial institutions, together with the existing data on loans to depository institutions, would allow supervisors and other interested parties to more closely monitor the exposure of individual BHCs to financial institutions and to assess the impact that changes in the credit availability to this sector have on the economy.

Two commenters addressed these proposed revisions to Schedules HC-L and HC-C. The bankers' organization indicated that the proposed revisions relating to additional categories of unused commitments were acceptable. One bank expressed support for the proposed reporting of unused commitments and loans to nondepository financial institutions, agreeing that this information would be useful to the Federal Reserve and the banking agencies in their monitoring of lending activity. However, this bank also asserted that the instructions for categorizing loans in Schedule HC-C "are complex, require considerable effort, and introduce the potential for inconsistency across reporting institutions." The bank asked the Federal Reserve and the banking agencies to consider simplifying the loan categorization requirements by "(1) consolidating reporting categories, where feasible, (2) creating a decision

tree matrix with prioritization for competing criteria, and (3) recommending the use of more objective criteria (such as SIC classifications)." The Federal Reserve periodically reviews the reporting categories used in Schedule HC-C and have found that additional loan categories are needed to better monitor the credit risk profiles of individual institutions and the industry as a whole, to assess credit availability, and to conduct the Federal Reserve's other activities. When assigning loans to the loan categories in Schedule HC-C, the schedule already assigns priority to loans secured by real estate, regardless of borrower loan purpose. Loans that do not meet the definition of the term loan secured by real estate are then categorized by borrower or purpose. The Federal Reserve believes the remaining loan categories (e.g., loans to depository institutions; commercial and industrial loans; loans to individuals for household, family, and other personal expenditures; and loans to foreign governments and official institutions) are sufficiently distinct from one another. The instructions for Schedule HC-C provide detailed descriptions of the types of loans and borrowers that fall within the scope of each loan category.

C. Effect of New Accounting Standards on Schedule HC-S, Servicing, Securitization, and Asset Sale Activities

On June 12, 2009, the Financial Accounting Standards Board (FASB) issued FAS Statements Nos. 166 and 167, which revise the existing standards governing the accounting for financial asset transfers and the consolidation of variable interest entities. FAS Statement No. 166 eliminates the concept of a qualifying special-purpose entity, changes the requirements for derecognizing financial assets, and requires additional disclosures. FAS Statement No. 167 changes how a company determines when an entity that is insufficiently capitalized or is not controlled through voting (or similar rights) should be consolidated. This consolidation determination is based on, among other things, an entity's purpose and design and a company's ability to direct the activities of the entity that most significantly impact the entity's economic performance.² In general, the revised standards took effect January 1, 2010. The standards are expected to cause a substantial volume of assets in banking organization-

sponsored entities associated with securitization and structured finance activities to be brought onto BHCs balance sheets.

The Federal Reserve currently collects data on BHCs' securitization and structured finance activities in Schedule HC-S, Servicing, Securitization, and Asset Sale Activities. The Federal Reserve will continue to collect Schedule HC-S after the effective date of FAS Statements Nos. 166 and 167 and BHCs should continue to complete this schedule in accordance with its existing instructions, taking into account the changes in accounting brought about by these two FASB statements. In this regard, data items 1 through 8 of Schedule HC-S involve the reporting of information for securitizations that the reporting BHC has accounted for as sales. Therefore, after the effective date of FAS Statements Nos. 166 and 167, a BHC should report information in data items 1 through 8 only for those securitizations for which the transferred assets qualify for sale accounting or are otherwise not carried as assets on the BHC's consolidated balance sheet. Thus, if a securitization transaction that qualified for sale accounting prior to the effective date of FAS Statements Nos. 166 and 167 must be brought back onto the reporting BHC's consolidated balance sheet upon adoption of these statements, the BHC would no longer report information about the securitization in data items 1 through 8 of Schedule HC-S.

Data items 11 and 12 of Schedule HC-S are applicable to assets that the reporting BHC has sold with recourse or other seller-provided credit enhancements, but has not securitized. In Memorandum item 1 of Schedule HC-S, a BHC reports certain transfers of small business obligations with recourse that qualifies for sale accounting. The scope of these data items will continue to be limited to such sold financial assets after the effective date of FAS Statements Nos. 166 and 167. In Memorandum item 2 of Schedule HC-S, a BHC currently reports the outstanding principal balance of loans and other financial assets that it services for others when the servicing has been purchased or when the assets have been originated or purchased and subsequently sold with servicing retained. Thus, after the effective date of FAS Statements Nos. 166 and 167, a BHC should continue to report retained servicing for those assets or portions of assets reported as sold as well as purchased servicing in Memorandum item 2. Finally, Memorandum item 3 of Schedule HC-S collects data on asset-

² FASB News Release, June 12, 2009, http://www.fasb.org/cs/ContentServer?c=FASBContent_C&pagename=FASB/FASBContent_C/NewsPage&cid=1176156240834&pf=true.

backed commercial paper conduits regardless of whether the reporting BHC must consolidate the conduit in accordance with FASB Interpretation No. 46(R). This will continue to be the case after the effective date of FAS Statement No. 167, which amended this FASB interpretation.

The Federal Reserve plans to evaluate the disclosure requirements in FAS Statements Nos. 166 and 167 and the disclosure practices that develop in response to these requirements. This evaluation will assist the Federal Reserve in determining the need for revisions to Schedule HC-S that will improve its ability to assess the nature and scope of BHCs' involvement with securitization and structured finance activities, including those accounted for as sales and those accounted for as secured borrowings. Such revisions, which would not be implemented before March 2011, would be incorporated into a formal proposal that the Federal Reserve would then publish with a request for comment in accordance with the requirements of the Paperwork Reduction Act of 1995 (PRA).

The bankers' organization commented on the reporting of information associated with securitization and structured finance activities and recommended that information be required in Schedule HC-S for assets that must be consolidated under FAS Statements Nos. 166 and 167 that are held as securities by third parties as well as any applicable loan loss allowances and related deferred tax assets. The Federal Reserve will consider these recommendations as we evaluate our data needs with respect to on-balance-sheet securitizations and structured finance transactions. Any resulting potential new reporting requirements would be incorporated into the formal proposal mentioned above.

D. Assets Covered by FDIC Loss-Sharing Agreements

The bankers' organization requested that the Federal Reserve revise the FR Y-9C to collect information on loss-sharing agreements with the FDIC even though this had not been proposed by the Federal Reserve. The organization noted that there is currently no guidance on how a BHC that acquires a failed bank should report any loss-sharing agreement in the FR Y-9C. It also stated that the FR Y-9C does not provide users with a "readily accessible summary of the [bank holding company's] net exposures on assets that are subject to loss-share agreements." The organization observed that "[t]his

will become an increasingly important long-term and more common reporting issue as additional failed banks are acquired from the FDIC under a loss-share agreement."

Under loss sharing, the FDIC agrees to absorb a portion of the loss on a specified pool of a failed institution's assets in order to maximize asset recoveries and minimize the FDIC's losses. In general, the FDIC will reimburse 80 percent of losses incurred by an acquiring institution on covered assets over a specified period of time up to a stated threshold amount, with the acquirer absorbing 20 percent. Any losses above the stated threshold amount will be reimbursed by the FDIC at 95 percent of the losses booked by the acquirer. Over the past year, the FDIC has entered into loss-sharing agreements with acquiring institutions in connection with approximately 80 failed banks and thrifts. Some acquiring institutions have been involved in multiple failed institution acquisitions. The continued use of loss-sharing agreements is expected in connection with the resolution of failures of insured institutions by the FDIC. Assets covered by loss-sharing agreements include, but are not limited to, loans, other real estate, and debt securities.

As the bankers' organization indicated, the FR Y-9C does not include a "readily accessible summary" of assets that reporting BHCs have acquired from failed institutions that are covered by FDIC loss-sharing agreements. Any covered loans and leases that are past due 30 days or more or are in nonaccrual status are reportable in data items 11 and 11.a of Schedule HC-N, Past Due and Nonaccrual Loans, Leases, and Other Assets, as loans and leases that are wholly or partially guaranteed by the U.S. Government. However, these data items would also include loans and leases guaranteed by other U.S. Government agencies (such as the Small Business Administration and the Federal Housing Administration) that are past due 30 days or more or are in nonaccrual status and they would exclude loans and leases covered by FDIC loss-sharing agreements that do not meet these past due or nonaccrual reporting conditions as of the report date. Thus, the amount of covered loans and leases is not readily identifiable from the FR Y-9C and the amount of other covered assets cannot be determined at all from the FR Y-9C.

The Federal Reserve agrees with the bankers' organization that the reporting of summary data on covered assets would be beneficial to FR Y-9C report users and to BHCs holding covered assets. Therefore, the Federal Reserve

will add such a summary to FR Y-9C Schedule HC-M, Memoranda, effective as of March 31, 2010. In this summary, BHCs that have entered into loss-sharing agreements with the FDIC will separately report the carrying amounts of loans and leases, other real estate owned, debt securities, and other assets covered by such agreements. The Federal Reserve will also consider whether the collection of additional information concerning covered assets would be warranted and, if so, it would be incorporated into a formal proposal that the Federal Reserve would then publish with a request for comment in accordance with the requirements of the PRA.

2. *Report title:* Financial Statements of U.S. Nonbank Subsidiaries of U.S. Bank Holding Companies.

Agency form number: FR Y-11.

OMB control number: 7100-0244.

Frequency: Quarterly and annually.

Reporters: BHCs.

Estimated annual reporting hours: FR Y-11 (quarterly), 15,504 hours; and FR Y-11 (annual), 1,802 hours.

Estimated average hours per response: FR Y-11 (quarterly), 6.80 hours; and FR Y-11 (annual), 6.80 hours.

Number of respondents: FR Y-11 (quarterly), 570; and FR Y-11 (annual), 265.

General description of report: This information collection is mandatory (12 U.S.C. §§ 1844(c)). Confidential treatment is not routinely given to the data in these reports. However, confidential treatment for the reporting information, in whole or in part, can be requested in accordance with the instructions to the form, pursuant to sections (b)(4), (b)(6) and (b)(8) of the Freedom of Information Act (5 U.S.C. 552(b)(4), (b)(6) and (b)(8)).

Abstract: The FR Y-11 reports collect financial information for individual non-functionally regulated U.S. nonbank subsidiaries of domestic BHCs. BHCs file the FR Y-11 on a quarterly or annual basis according to filing criteria. The FR Y-11 data are used with other BHC data to assess the condition of BHCs that are heavily engaged in nonbanking activities and to monitor the volume, nature, and condition of their nonbanking operations.

Current Actions: On September 25, 2009, the Federal Reserve published a notice in the **Federal Register** (74 FR 48960) requesting public comment for 60 days on the revision, without extension, of the FR Y-11. The comment period for this notice expired on November 24, 2009. The Federal Reserve did not receive any comments; the revisions will be implemented as proposed.

3. *Report title:* Financial Statements of Foreign Subsidiaries of U.S. Banking Organizations.

Agency form number: FR 2314.

OMB control number: 7100-0073.

Frequency: Quarterly and annually.

Reporters: U.S. state member banks (SMBs), BHCs, and Edge or agreement corporations.

Estimated annual reporting hours: FR 2314 (quarterly), 15,365 hours; and FR 2314 (annual), 1,313 hours.

Estimated average hours per response: FR 2314 (quarterly), 6.60 hours; and FR 2314 (annual), 6.60 hours.

Number of respondents: FR 2314 (quarterly), 582; and FR 2314 (annual), 199.

General description of report: This information collection is mandatory (12 U.S.C. §§ 324, 602, 625, and 1844(c)). Confidential treatment is not routinely given to the data in these reports. However, confidential treatment for the reporting information, in whole or in part, can be requested in accordance with the instructions to the form, pursuant to sections (b)(4), (b)(6) and (b)(8) of the Freedom of Information Act (5 U.S.C. §§ 552(b)(4) (b)(6) and (b)(8)).

Abstract: The FR 2314 reports collect financial information for non-functionally regulated direct or indirect foreign subsidiaries of U.S. SMBs, Edge and agreement corporations, and BHCs. Parent organizations (SMBs, Edge and agreement corporations, or BHCs) file the FR 2314 on a quarterly or annual basis according to filing criteria. The FR 2314 data are used to identify current and potential problems at the foreign subsidiaries of U.S. parent companies, to monitor the activities of U.S. banking organizations in specific countries, and to develop a better understanding of activities within the industry, in general, and of individual institutions, in particular.

Current Actions: On September 25, 2009, the Federal Reserve published a notice in the **Federal Register** (74 FR 48960) requesting public comment for 60 days on the revision, without extension, of the FR 2314. The comment period for this notice expired on November 24, 2009. The Federal Reserve did not receive any comments; the revisions will be implemented as proposed.

4. *Report title:* Financial Statements of U.S. Nonbank Subsidiaries Held by Foreign Banking Organizations.

Agency form number: FR Y-7N.

OMB control number: 7100-0125.

Frequency: Quarterly and annually.

Reporters: Foreign banking organizations (FBOs).

Estimated annual reporting hours: FR Y-7N (quarterly), 4,787 hours; and FR Y-7N (annual), 1,387 hours.

Estimated average hours per response: FR Y-7N (quarterly), 6.8 hours; and FR Y-7N (annual), 6.8 hours.

Number of respondents: FR Y-7N (quarterly), 176; and FR Y-7N (annual), 204.

General description of report: This information collection is mandatory (12 U.S.C. 1844(c), 3106(c), and 3108). Confidential treatment is not routinely given to the data in these reports. However, confidential treatment for information, in whole or in part, on any of the reporting forms can be requested in accordance with the instructions to the form, pursuant to sections (b)(4) and (b)(6) of the Freedom of Information Act (5 U.S.C. 522(b)(4) and (b)(6)).

Abstract: The FR Y-7N collects financial information for non-functionally regulated U.S. nonbank subsidiaries held by FBOs other than through a U.S. BHC, U.S. FHC, or U.S. bank. FBOs file the FR Y-7N on a quarterly or annual basis based on size thresholds.

Current Actions: On September 25, 2009, the Federal Reserve published a notice in the **Federal Register** (74 FR 48960) requesting public comment for 60 days on the revision, without extension, of the FR Y-7N. The comment period for this notice expired on November 24, 2009. The Federal Reserve did not receive any comments; the revisions will be implemented as proposed.

Board of Governors of the Federal Reserve System, February 24, 2010.

Jennifer J. Johnson,
Secretary of the Board.

[FR Doc. 2010-4118 Filed 2-26-10; 8:45 am]

BILLING CODE 6210-01-P

DEPARTMENT OF DEFENSE

GENERAL SERVICES ADMINISTRATION

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

[OMB Control No. 9000-00XX]

Submission for OMB Review; Information Regarding Responsibility Matters

AGENCY: Department of Defense (DOD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA).

ACTION: Notice of request for public comments regarding a new OMB information clearance.

SUMMARY: Under the provisions of the Paperwork Reduction Act of 1995 (44

U.S.C. Chapter 35), the Regulatory Secretariat will be submitting to the Office of Management and Budget (OMB) a request to review and approve a new information collection requirement regarding Information Regarding Responsibility Matters.

Public comments are particularly invited on: Whether this collection of information is necessary for the proper performance of functions of the FAR, 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; and ways in which we can minimize the burden of the collection of information on those who are to respond, through the use of appropriate technological collection techniques or other forms of information technology.

DATES: Submit comments on or before March 31, 2010.

ADDRESSES: Submit comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to GSA Desk Officer, OMB, Room 10236, NEOB, Washington, DC 20503, and a copy to the Regulatory Secretariat (MVCB), General Services Administration, 1800 F Street, NW., Room 4041, Washington, DC 20405. Please cite OMB Control No. 9000-00XX, Information Regarding Responsibility Matters, in all correspondence.

FOR FURTHER INFORMATION CONTACT: Ms. Millisa Gary, Procurement Analyst, Contract Policy Branch, at (202) 501-0699 or millisa.gary@gsa.gov.

SUPPLEMENTARY INFORMATION:

A. Purpose

The collection of new information is in compliance with section 872 of the Duncan Hunter National Defense Authorization Act of 2009 (Pub. L. 110-417), enacted on October 14, 2008. Section 872 of the Act requires the General Services Administration (GSA) to develop and maintain a database containing specific information on the integrity and performance of covered Federal agency contractors and grantees.

Section 872 defines a covered person as any person awarded a Federal agency contract or grant in excess of \$500,000 and any person awarded "such other category or categories of Federal agency contract as the FAR may provide * * *". Information to be included in the data system is listed in section 872 and must cover the most recent five-year period for—