

of the leveraged portfolio more frequently and in greater depth than other segments in the loan portfolio. Such assessments should be performed by individuals with the expertise and experience for these types of loans and the borrower's industry. Portfolio reviews should generally be conducted at least annually. For many financial institutions, the risk characteristics of leveraged portfolios, such as high reliance on enterprise value, concentrations, adverse risk rating trends, or portfolio performance, may dictate more frequent reviews.

A financial institution should staff its internal credit review function appropriately and ensure that the function has sufficient resources to ensure timely, independent, and accurate assessments of leveraged lending transactions. Reviews should evaluate the level of risk, risk rating integrity, valuation methodologies, and the quality of risk management. Internal credit reviews should include the review of the institution's leveraged lending practices, policies, and procedures to ensure that they are consistent with regulatory guidance.

#### *Stress-Testing*

A financial institution should develop and implement guidelines for conducting periodic portfolio stress tests on loans originated to hold as well as loans originated to distribute, and sensitivity analyses to quantify the potential impact of changing economic and market conditions on its asset quality, earnings, liquidity, and capital.<sup>12</sup> The sophistication of stress-testing practices and sensitivity analyses should be consistent with the size, complexity, and risk characteristics of the institution's leveraged loan portfolio. To the extent a financial institution is required to conduct enterprise-wide stress tests, the leveraged portfolio should be included in any such tests.

<sup>12</sup> See interagency guidance "Supervisory Guidance on Stress-Testing for Banking Organizations With More Than \$10 Billion in Total Consolidated Assets," Final Supervisory Guidance, 77 FR 29458 (May 17, 2012), at <http://www.gpo.gov/fdsys/pkg/FR-2012-05-17/html/2012-11989.htm>, and the joint "Statement to Clarify Supervisory Expectations for Stress-Testing by Community Banks," May 14, 2012, by the OCC at <http://www.occ.gov/news-issuances/news-releases/2012/nr-ia-2012-76a.pdf>; the Board at [www.federalreserve.gov/newsevents/press/bcreg/bcreg20120514b1.pdf](http://www.federalreserve.gov/newsevents/press/bcreg/bcreg20120514b1.pdf); and the FDIC at <http://www.fdic.gov/news/news/press/2012/pr12054a.pdf>. See also FDIC Final Rule, Annual Stress Test, 77 FR 62417 (Oct. 15, 2012) (to be codified at 12 CFR part 325, subpart C).

#### *Conflicts of Interest*

A financial institution should develop appropriate policies and procedures to address and to prevent potential conflicts of interest when it has both equity and lending positions. For example, an institution may be reluctant to use an aggressive collection strategy with a problem borrower because of the potential impact on the value of an institution's equity interest. A financial institution may encounter pressure to provide financial or other privileged client information that could benefit an affiliated equity investor. Such conflicts also may occur when the underwriting financial institution serves as financial advisor to the seller and simultaneously offers financing to multiple buyers (that is, stapled financing). Similarly, there may be conflicting interests among the different lines of business within a financial institution or between the financial institution and its affiliates. When these situations occur, potential conflicts of interest arise between the financial institution and its customers. Policies and procedures should clearly define potential conflicts of interest, identify appropriate risk management controls and procedures, enable employees to report potential conflicts of interest to management for action without fear of retribution, and ensure compliance with applicable laws. Further, management should have an established training program for employees on appropriate practices to follow to avoid conflicts of interest, and provide for reporting, tracking, and resolution of any conflicts of interest that occur.

#### *Reputational Risk*

Leveraged lending transactions are often syndicated through the financial and institutional markets. A financial institution's apparent failure to meet its legal responsibilities in underwriting and distributing transactions can damage its market reputation and impair its ability to compete. Similarly, a financial institution that distributes transactions which over time have significantly higher default or loss rates and performance issues may also see its reputation damaged.

#### *Compliance*

The legal and regulatory issues raised by leveraged transactions are numerous and complex. To ensure potential conflicts are avoided and laws and regulations are adhered to, an institution's independent compliance function should periodically review the institution's leveraged lending activity. This guidance is consistent with the

principles of safety and soundness and other agency guidance related to commercial lending.

In particular, because leveraged transactions often involve a variety of types of debt and bank products, a financial institution should ensure that its policies incorporate safeguards to prevent violations of anti-tying regulations. Section 106(b) of the Bank Holding Company Act Amendments of 1970<sup>13</sup> prohibits certain forms of product tying by financial institutions and their affiliates. The intent behind Section 106(b) is to prevent financial institutions from using their market power over certain products to obtain an unfair competitive advantage in other products.

In addition, equity interests and certain debt instruments used in leveraged transactions may constitute "securities" for the purposes of federal securities laws. When securities are involved, an institution should ensure compliance with applicable securities laws, including disclosure and other regulatory requirements. An institution should also establish policies and procedures to appropriately manage the internal dissemination of material, nonpublic information about transactions in which it plays a role.

Dated: February 19, 2013.

**Thomas J. Curry,**

*Comptroller of the Currency.*

Board of Governors of the Federal Reserve System, March 8, 2013.

**Robert deV. Frierson,**

*Secretary of the Board.*

Dated at Washington, DC, this 11th day of March, 2013.

Federal Deposit Insurance Corporation.

**Valerie J. Best,**

*Assistant Executive Secretary.*

[FR Doc. 2013-06567 Filed 3-21-13; 8:45 am]

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

## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### Community Volunteer Income Tax Assistance (VITA) Matching Grant Program—Availability of Application Packages

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Notice.

**SUMMARY:** This document provides notice of the availability of the application package for the 2014 Community Volunteer Income Tax

<sup>13</sup> 12 U.S.C. 1972.

Assistance (VITA) Matching Grant Program.

**DATES:** Application packages are available electronically from the IRS on May 1, 2013 by visiting: IRS.gov (key word search—"VITA Grant") or through Grants.gov. The deadline for submitting an application to the IRS for the Community VITA Matching Grant Program is May 31, 2013. All applications must be submitted through Grants.gov.

**ADDRESSES:** Internal Revenue Service, Grant Program Office, 401 West Peachtree St. NW., Suite 1645, Stop 420-D, Atlanta, GA 30308.

**FOR FURTHER INFORMATION CONTACT:** Grant Program Office via their email address at [Grant.Program.Office@irs.gov](mailto:Grant.Program.Office@irs.gov).

**SUPPLEMENTARY INFORMATION:** Authority for the Community Volunteer Income Tax Assistance (VITA) Matching Grant Program is contained in the Department of Defense and Full-Year Continuing Appropriations Act, 2011, Public Law 112-10, signed April 15, 2011.

Dated: March 12, 2013.

**Deborah Matthews,**

*Acting Chief, Grant Program Office, IRS, Stakeholder Partnerships, Education & Communication.*

[FR Doc. 2013-06563 Filed 3-21-13; 8:45 am]

**BILLING CODE 4830-01-P**

## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### Tax Counseling for the Elderly (TCE) Program Availability of Application Packages

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Notice.

**SUMMARY:** This document provides notice of the availability of Application Packages for the 2014 Tax Counseling for the Elderly (TCE) Program.

**DATES:** Application Packages are available electronically from the IRS on May 1, 2013 by visiting: IRS.gov (key word search—"TCE") or through Grants.gov. The deadline for submitting an application package to the IRS for the Tax Counseling for the Elderly (TCE) Program is May 31, 2013. All applications must be submitted through Grants.gov.

**ADDRESSES:** Internal Revenue Service, Grant Program Office, 5000 Ellin Road, NCFB C4-110, SE:W:CAR:SPEC:FO:GPO, Lanham, Maryland 20706.

**FOR FURTHER INFORMATION CONTACT:** Grant Program Office via their email address at [tce.grant.office@irs.gov](mailto:tce.grant.office@irs.gov).

**SUPPLEMENTARY INFORMATION:** Authority for the Tax Counseling for the Elderly (TCE) Program is contained in Section 163 of the Revenue Act of 1978, Public Law 95-600, (92 Stat. 12810), November 6, 1978. Regulations were published in the **Federal Register** at 44 FR 72113 on December 13, 1979. Section 163 gives the IRS authority to enter into cooperative agreements with private or public non-profit agencies or organizations to establish a network of trained volunteers to provide free tax information and return preparation assistance to elderly individuals. Elderly individuals are defined as individuals age 60 and over at the close of their taxable year. Because applications are being solicited before the FY 2014 budget has been approved, cooperative agreements will be entered into subject to the appropriation of funds.

Dated: March 12, 2013.

**Deborah Matthews,**

*Acting Chief, Grant Program Office, IRS, Stakeholder Partnerships, Education & Communication.*

[FR Doc. 2013-06562 Filed 3-21-13; 8:45 am]

**BILLING CODE 4830-01-P**

## DEPARTMENT OF VETERANS AFFAIRS

[OMB Control No. 2900-0616]

#### Proposed Information Collection (Application for Furnishing Long-Term Care Service to Beneficiaries of Veterans Affairs, and Residential Care Home Program) Activity: Comment Request

**AGENCY:** Veterans Health Administration, Department of Veterans Affairs.

**ACTION:** Notice.

**SUMMARY:** The Veterans Health Administration (VHA), Department of Veterans Affairs (VA), is announcing an opportunity for public comment on the proposed collection of certain information by the agency. Under the Paperwork Reduction Act (PRA) of 1995, Federal agencies are required to publish notice in the **Federal Register** concerning each proposed collection of information, including each proposed extension of a currently approved collection, and allow 60 days for public comment in response to the notice. This notice solicits comments for information needed to determine non-Federal

nursing home qualification to provide care to Veteran patients.

**DATES:** Written comments and recommendations on the proposed collection of information should be received on or before May 21, 2013.

**ADDRESSES:** Submit written comments on the collection of information through the Federal Docket Management System (FDMS) at [www.Regulations.gov](http://www.Regulations.gov); or to Cynthia Harvey-Pryor, Veterans Health Administration (10B4), Department of Veterans Affairs, 810 Vermont Avenue NW., Washington, DC 20420 or email: [cynthia.harvey-pryor@va.gov](mailto:cynthia.harvey-pryor@va.gov). Please refer to "2900-0616" in any correspondence. During the comment period, comments may be viewed online through FDMS.

**FOR FURTHER INFORMATION CONTACT:** Cynthia Harvey-Pryor (202) 461-5870 or Fax (202) 273-9387.

**SUPPLEMENTARY INFORMATION:** Under the PRA of 1995 (Pub. L. 104-13; 44 U.S.C. 3501-3521), Federal agencies must obtain approval from OMB for each collection of information they conduct or sponsor. This request for comment is being made pursuant to Section 3506(c)(2)(A) of the PRA.

With respect to the following collection of information, VHA invites comments on: (1) Whether the proposed collection of information is necessary for the proper performance of VHA's functions, including whether the information will have practical utility; (2) the accuracy of VHA's estimate of the burden of the proposed collection of information; (3) ways to enhance the quality, utility, and clarity of the information to be collected; and (4) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or the use of other forms of information technology.

*Titles:*

a. Application for Furnishing Long-Term Care Services to Beneficiaries of Veterans Affairs, VA Form 10-1170.

b. Residential Care Home Program—

Sponsor Application, VA Form 2407.

*OMB Control Number:* 2900-0616.

*Type of Review:* Revision of a currently approved collection.

*Abstract:*

a. VA Form 10-1170 is completed by community agencies wishing to provide long term care to Veterans receiving VA benefits.

b. VA Form 10-2407 is an application used by a residential care facility or home that wished to provide residential home care to Veterans. It serves as the agreement between VA and the residential care home that the home will