



## **FEDERAL RESERVE SYSTEM**

### **Proposed Agency Information Collection Activities; Comment Request**

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Notice, request for comment.

**SUMMARY:** The Board of Governors of the Federal Reserve System (Board) invites comment on a proposal to extend for three years, without revision, the Government Securities Dealers Reports (FR 2004; OMB No. 7100-0003) and a proposal to extend for three years, with revision, the voluntary Weekly Report of Selected Assets and Liabilities of Domestically Chartered Commercial Banks and U.S. Branches and Agencies of Foreign Banks (FR 2644; OMB No. 7100-0075).

On June 15, 1984, the Office of Management and Budget (OMB) delegated to the Board authority under the Paperwork Reduction Act (PRA) to approve of and assign OMB control numbers to collection of information requests and requirements conducted or sponsored by the Board. In exercising this delegated authority, the Board is directed to take every reasonable step to solicit comment. In determining whether to approve a collection of information, the Board will consider all comments received from the public and other agencies.

**DATES:** Comments must be submitted on or before [INSERT DATE 60 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER].

**ADDRESSES:** You may submit comments, identified by *FR 2004* or *FR 2644*, by any of the following methods:

- Agency Website: <http://www.federalreserve.gov>. Follow the instructions for submitting comments at <http://www.federalreserve.gov/apps/foia/proposedregs.aspx>.
- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for

submitting comments.

- E-mail: [regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov). Include OMB number in the subject line of the message.
- FAX: (202) 452-3819 or (202) 452-3102.
- Mail: Ann E. Misback, Secretary, Board of Governors of the Federal Reserve System, 20<sup>th</sup> Street and Constitution Avenue, NW, Washington, DC 20551.

All public comments are available from the Board's website at

<http://www.federalreserve.gov/apps/foia/proposedregs.aspx> as submitted, unless modified for technical reasons. Accordingly, your comments will not be edited to remove any identifying or contact information. Public comments may also be viewed electronically or in paper form in Room 3515, 1801 K Street (between 18<sup>th</sup> and 19<sup>th</sup> Streets NW) Washington, DC 20006 between 9:00 a.m. and 5:00 p.m. on weekdays.

Additionally, commenters may send a copy of their comments to the OMB Desk Officer – Shagufta Ahmed – Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, 725 17<sup>th</sup> Street, NW, Washington, DC 20503 or by fax to (202) 395-6974.

**FOR FURTHER INFORMATION CONTACT:** A copy of the PRA OMB submission, including the proposed reporting form and instructions, supporting statement, and other documentation will be placed into OMB's public docket files, once approved. These documents will also be made available on the Federal Reserve Board's public website at:

<http://www.federalreserve.gov/apps/reportforms/review.aspx> or may be requested from the agency clearance officer, whose name appears below.

Federal Reserve Board Clearance Officer – Nuha Elmaghrabi – Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, Washington, DC 20551 (202) 452-3829. Telecommunications Device for the Deaf (TDD) users may contact (202) 263-4869, Board of Governors of the Federal Reserve System, Washington, DC, 20551.

**SUPPLEMENTARY INFORMATION:**

**Request for comment on information collection proposals**

The Board invites public comment on the following information collections, which are being reviewed under authority delegated by the OMB under the PRA. Comments are invited on the following:

- a. Whether the proposed collection of information is necessary for the proper performance of the Federal Reserve’s functions; including whether the information has practical utility;
- b. The accuracy of the Federal Reserve’s estimate of the burden of the proposed information collection, including the validity of the methodology and assumptions used;
- c. Ways to enhance the quality, utility, and clarity of the information to be collected;
- d. Ways to minimize the burden of information collection on respondents, including through the use of automated collection techniques or other forms of information technology; and
- e. Estimates of capital or startup costs and costs of operation, maintenance, and purchase of services to provide information.

At the end of the comment period, the comments and recommendations received will be analyzed to determine the extent to which the Federal Reserve should modify the proposed revisions prior to giving final approval.

**Proposal to approve under OMB delegated authority the extension for three years, without revision, of the following report:**

*Report title:* The Government Securities Dealers Reports: Weekly Report of Dealer Positions (FR 2004A), Weekly Report of Cumulative Dealer Transactions (FR 2004B), Weekly Report of Dealer Financing and Fails (FR 2004C), Weekly Report of Specific Issues (FR 2004SI), Daily Report of Specific Issues (FR 2004SD), Supplement to the Daily Report of Specific Issues (FR 2004SD ad hoc), Daily Report of Dealer Activity in Treasury Financing (FR 2004WI), Settlement Cycle Report of Dealer Fails and Transaction Volumes: Class A (FR 2004FA), Settlement Cycle Report of Dealer Fails and Transaction Volumes: Class B (FR 2004FB), Settlement Cycle Report of Dealer Fails and Transaction Volumes: Class C (FR 2004FC), and Settlement Cycle Report of Dealer Fails and Transaction Volumes (FR 2004FM).

*Agency form number:* FR 2004.

*OMB control number:* 7100-0003.

*Frequency:* Weekly, daily, monthly.

*Respondents:* Dealers in the U.S. government securities market.

*Estimated number of respondents:* 23.

*Estimated average hours per response:* FR 2004A, 3.0 hours; FR 2004B, 3.7 hours; FR 2004C, 3.1 hours; FR 2004SI, 2.2 hours; FR 2004SD, 2.2 hours; FR 2004SD ad hoc, 2.0 hours; FR 2004WI, 1.0 hour; FR 2004FA, 1.0 hour; FR 2004FB, 1.0 hour; FR 2004FC, 1.0 hour; FR 2004FM, 1.5 hours.

*Estimated annual burden hours:* FR 2004A, 3,588 hours; FR 2004B, 4,425 hours; FR 2004C, 3,708 hours; FR 2004SI, 2,631 hours; FR 2004SD, 1,265 hours; FR 2004SD ad hoc, 1,196

hours; FR 2004WI, 3,680 hours; FR 2004FA, 276 hours; FR 2004FB, 276 hours; FR 2004FC, 276 hours; FR 2004FM, 414 hours.

*General Description of Report:* The Federal Reserve Bank of New York, on behalf of the Federal Reserve System, collects data from primary dealers in the U.S. government securities market. Filing of these data is required to obtain the benefit of primary dealer status. The Federal Reserve uses these data to (1) monitor the condition of the U.S. government securities market in its Treasury market surveillance and analysis of the market and to (2) assist and support the U.S. Department of the Treasury in its role as fiscal agent for Treasury financing operations. In addition, these data are helpful in the analysis of broad financial conditions and a range of financial stability issues.

*Legal authorization and confidentiality:* This information collection is authorized by sections 2A, 12A(c), 14, and 15 of the Federal Reserve Act (12 U.S.C. 225a, 263c, 353-359, and 391) and is required to obtain or retain the benefit of dealer status. Individual respondent data are regarded as confidential under the Freedom of Information Act (5 U.S.C. 552(b)(4) and (b)(8)).

**Proposal to approve under OMB delegated authority the extension for three years, with revision, of the following report:**

*Report title:* Weekly Report of Selected Assets and Liabilities of Domestically Chartered Commercial Banks and U.S. Branches and Agencies of Foreign Banks.

*Agency form number:* FR 2644.

*OMB control number:* 7100-0075.

*Effective Date:* January 3, 2018.

*Frequency:* Weekly.

*Respondents:* Domestically chartered commercial banks and U.S. branches and agencies of foreign banks.

*Estimated number of respondents:* 875.

*Estimated average hours per response:* 2.35 hours.

*Estimated annual burden hours:* 106,925 hours.

*General Description of Report:* The FR 2644 is a balance sheet report that is collected as of each Wednesday from an authorized stratified sample of 875 domestically chartered commercial banks and U.S. branches and agencies of foreign banks. The FR 2644 is the only source of high-frequency data used in the analysis of current banking developments. The FR 2644 collects sample data that are used to estimate universe levels using data from the quarterly commercial bank Consolidated Reports of Condition and Income (FFIEC 031, FFIEC 041, and FFIEC 051; OMB No. 7100-0036) and the Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks (FFIEC 002; OMB No. 7100-0032) (Call Reports). Data from the FR 2644, together with data from other sources, are used to construct weekly estimates of bank credit, balance sheet data for the U.S. banking industry, sources and uses of banks' funds, and to analyze current banking and monetary developments. The Board publishes the data in aggregate form in the weekly H.8 statistical release, *Assets and Liabilities of Commercial Banks in the United States*, which is followed closely by other government agencies, the banking industry, the financial press, and other users. The H.8 release provides a balance sheet for the banking industry as a whole and data disaggregated by its large domestic, small domestic, and foreign-related bank components.

*Proposed revisions:* The Board proposes several revisions to simplify and reduce the overall reporting burden associated with the FR 2644 report. The proposed FR 2644 reporting form

would consist of 29 balance-sheet items and 2 memoranda items, an overall reduction of six data items.

**Combine asset items 3.a and 3.b into one data item, and liability items 9.a and 9.b into one data item.**

The Board proposes to combine (1) Federal funds sold and securities purchased under agreements to resell with commercial banks in the U.S. (including U.S. branches and agencies of foreign banks) (item 3.a) and (2) Federal funds sold and securities purchased under agreements to resell with others (including nonbank brokers and dealers in securities and FHLB) (item 3.b) into one new item: Federal funds sold and securities purchased under agreements to resell (item 3) and to combine (1) Borrowings (including federal funds purchased and securities sold under agreements to repurchase and other borrowed money) from commercial banks in the U.S. (including U.S. branches and agencies of foreign banks) (item 9.a) and (2) Borrowings (including federal funds purchased and securities sold under agreements to repurchase and other borrowed money) from others (including FRB and FHLB) (item 9.b) into one new item: Borrowings (including federal funds purchased and securities sold under agreements to repurchase and other borrowed money) (item 9).

Counterparty-level detail on federal funds sold and securities purchased under agreements to resell (federal funds) has been collected from large banks since mid-1969 and from small banks since July 2009. Similar information for borrowings has been reported by both large and small banks since October 1996. In the H.8 release, federal funds sold to commercial banks have been included in interbank loans and federal funds sold to others have been included in non-core loans as part of other loans and leases.

These asset/liability breakdowns have provided useful information on counterparties, especially during the financial crisis. However, this information may now be obtained from the Report of Selected Money Market Rates (FR 2420; OMB No. 7100-0357), which collects transaction-level data, including counterparty information, for both federal funds purchased and other borrowings. Therefore, the Board recommends dropping the counterparty detail from the FR 2644 report.

**Replace item 8 with new item 8.b.**

The Board proposes to replace Total deposits (item 8) with All other deposits (item 8.b). This new item will consist of all deposits other than time deposits of \$100,000 or more. The Board assesses that reporting accuracy will be higher if banks report the two pieces of total deposits separately, rather than reporting total deposits and time deposits of \$100,000 or more, a subset of the former. The Board believes that this small change will reduce the incidence of misreporting, leading to fewer edit failures and less need for explanatory contact with respondents.

**Proposed elimination of data items**

The Board proposes to stop separately collecting two data items related to banks' derivative and other trading activities: (1) Trading assets, other than securities and loans included above (item 5) and (2) Trading liabilities (item 10). Data item 5 would be included in All other assets (item 6.b), while data item 10 would be rolled into All other liabilities (including subordinated notes and debentures) (item 11.b). Successive data items would be renumbered as appropriate.

During the 2015 renewal of the FR 2644, derivatives with positive and negative fair values, items 5.a and 10.a, the major components of trading assets and trading liabilities

respectively, were dropped from the reporting form. Weekly changes in the total items could reasonably be attributed to movements in derivatives, since they accounted for the preponderance of the trading items. However, in the intervening period, the Board has assessed that the benefits of collecting the two trading assets and liabilities items separately, in terms of analytical usefulness, do not exceed the costs of collection.

The Board also proposes to stop collecting two memoranda items: (1) Loans to small businesses amount currently outstanding of “Loans secured by nonfarm nonresidential properties” with original amounts of \$1,000,000 or less (included in item 4.a.(5) above) (item M.2 a) and (2) Loans to small businesses amount currently outstanding of “Commercial and industrial loans to U.S. addressees” with original amounts of \$1,000,000 or less (included in item 4.c above) (item M.2. b).

These memoranda items were added to the FR 2644 reporting form as of January 7, 2015, due to increasing interest in the health of small business lending and the lack of other timely sources of information. The recommendation to discontinue the collection of these data items is based on three factors:

- (1) The new FFIEC 051 Call Report for eligible small banks with assets less than \$1 billion will require only semiannual reporting (June and December) for the related Call Report data items. This new Call Report was implemented as of March 31, 2017. Semiannual, rather than quarterly, reporting by three-fourths of the domestic banks in the universe would severely limit the Board’s ability to estimate universe data from the weekly sample FR 2644 data and to sufficiently benchmark those estimates, leading to deterioration in the universe estimates.
- (2) During the development of the FFIEC 051, both in-person conversations with bankers and their comments in response to the associated *Federal Register* notices identified these items

as among the most burdensome for banks to provide, in some cases requiring manual intervention to do so.

(3) Many of the panel respondents, including most of the largest banks, repeat their latest quarterly Call Report figures for these data items. This practice does not provide the Board with the more up-to-date information that it had been seeking.

*Legal authorization and confidentiality:* The FR 2644 is authorized by section 2A and 11(a)(2) of the Federal Reserve Act (12 U.S.C. 225(a) and 248(a)(2)) and by section 7(c)(2) of the International Banking Act (12 U.S.C. 3105(c)(2)) and is voluntary. Individual respondent data are regarded as confidential under the Freedom of Information Act (5 U.S.C. 552(b)(4)).

Board of Governors of the Federal Reserve System, June 29, 2017.

**Ann E. Misback**

*Secretary of the Board.*

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