



FEDERAL RESERVE SYSTEM

Agency information collection activities: Announcement of Board Approval under Delegated Authority and Submission to OMB

AGENCY: Board of Governors of the Federal Reserve System.

SUMMARY: The Board of Governors of the Federal Reserve System (Board) is adopting a proposal to extend for three years, without revision, the Recordkeeping Requirements Associated with Limitations on Interbank Liabilities (Regulation F; OMB No. 7100-0331).

FOR FURTHER INFORMATION CONTACT: 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.

OMB Desk Officer – Shagufta Ahmed – Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, 725 17th Street, NW, Washington, DC 20503 or by fax to (202) 395-6974.

SUPPLEMENTARY INFORMATION: 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. 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 instrument(s)

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.

Final approval under OMB delegated authority of the extension for three years, without revision, of the following report:

Report title: Recordkeeping Requirements Associated with Limitations on Interbank Liabilities.

Agency form number: Regulation F.

OMB control number: 7100-0331.

Frequency: On occasion.

Respondents: Depository institutions insured by the Federal Deposit Insurance Corporation (FDIC).

Estimated number of respondents: State member banks: 829; non-member banks: 3,396; national banks: 921; state savings banks: 309; federal savings banks: 228; savings & loan associations: 195; insured federal branch of foreign banking organization: 4; insured state branch of foreign banking organization: 6; non-depository trust company member: 2; cooperative banks: 33.

Estimated average hours per response: 8 hours.

Estimated annual burden hours: State member banks: 6,632; non-member banks: 27,168; national banks: 7,368; state savings banks: 2,472; federal savings banks: 1,824; savings & loan associations: 1,560; insured federal branch of foreign banking

organization: 32; insured state branch of foreign banking organization: 48; non-depository trust company member: 16; cooperative banks: 264.

General description of report: Section 206.3 of the Board's Regulation F, 12 CFR 206.3, requires insured depository institutions to establish and maintain policies and procedures designed to prevent excessive exposure to "correspondents," which include non-affiliated U.S. insured depository institutions and non-affiliated foreign banks. Regulation F limits the risks that the failure of a correspondent would pose to insured depository institutions. Where exposure to a correspondent is significant, the policies and procedures shall require periodic reviews of the financial condition of the correspondent and shall take into account any deterioration in the correspondent's financial condition. Where the financial condition of the correspondent and the form or maturity of the exposure create a significant risk that payments will not be made in full or in a timely manner, the policies and procedures should limit the bank's exposure to the correspondent, either by the establishment of internal limits or by other means.

The Board has updated its burden estimate for this information collection to account for all depository institutions insured by the Federal Deposit Insurance Corporation (FDIC), all of which are potential respondents. The Board's previous burden estimate accounted only for state member banks. The increase in burden reflects the update to correct the number of potential respondents, and is not due to a change in burden for individual institutions.

Legal authorization and confidentiality: The Board's Legal Division has determined that the recordkeeping requirements of Regulation F are mandatory and authorized by section 23 of the Federal Reserve Act, as added by section 308 of the Federal Deposit Insurance

Corporation Improvement Act of 1991 (FDICIA) (12 U.S.C. 371b-2). Because the Board does not collect any information, no issue of confidentiality normally arises. However, if a compliance program becomes a Board record during an examination, the information may be protected from disclosure under exemptions (b)(4) and (b)(8) of the Freedom of Information Act (5 U.S.C. 552(b)(4) and (b)(8)).

Current actions: On January 23, 2018, the Board published a notice in the *Federal Register* (83 FR 3148) requesting public comment for 60 days on the extension for three years, without revision, of the Recordkeeping Requirements Associated with Limitations on Interbank Liabilities (Regulation F). The comment period for this notice expired on March 26, 2018. The Board did not receive any comments.

Board of Governors of the Federal Reserve System, April 24, 2018.

Ann Misback,

Secretary of the Board.

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