

# RESCINDED

Office of Thrift Supervision

September 2, 2003

Department of the Treasury

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*Transmittal*

**TR-324**



Federal Register, Vol. 68, No. 169, pp. 52268 - 52269

**Number TR-324**

## **TFR Changes for March 2004**

In the enclosed press release dated August 29, 2003, the Office of Thrift Supervision (OTS) announced that in response to comments received, it will **not** accelerate the due dates of the quarterly Thrift Financial Report (TFR).

OTS received comments from 84 respondents to its proposal for changes to the March 2004 TFR. After considering the comments, OTS made several changes to its proposal. A second notice will be published in the Federal Register and a copy forwarded to the Office of Management and Budget for approval, as required by the Paperwork Reduction Act of 1995.

The proposed revisions will enhance the usefulness of the TFR from a supervisory perspective and will more closely align reporting among the federal banking agencies.

Among the changes to the TFR are:

- **Definition of Mortgage Loans** – Mortgages are redefined, for the purposes of TFR reporting, to include all loans predicated upon a security interest in real property, regardless of whether they are secured by first or junior liens or the purpose of the loan. Home equity loans currently categorized as nonmortgage loans will be reclassified as mortgage loans. Single-family mortgages will be broken out by first liens and junior liens.
- **Holding Company Financial Information** – Schedule HC (Thrift Holding Company) will collect additional data on thrift holding companies. OTS will revise Form H-b(11), the Current/Annual Report, to reduce duplicative reporting requirements beginning with the 2004 reporting. The additional data collected on Schedule HC will include certain parent-only financial information as well as consolidated data.
- **Optional Narrative Statement** -- Space has been added for thrift management to submit a brief narrative statement concerning data reported in their TFR. This permits institutions to provide narrative information on significant transactions, mergers, prior period adjustments, etc., of which they want OTS and the public to be aware. The narrative statement is optional and its contents will be the sole responsibility of management; it will not be edited or screened by OTS, and the statement will be released to the public.
- **Transactions with Affiliates** -- Two line items have been added to Schedule SI corresponding to transactions under Sections 23A and 23B of the Federal Reserve Act.
- **Average Balance Sheet Data** – Average balance data has been added to Schedule SI for the following selected balance sheet items: Total assets; Interest-earning Deposits and Investments; Mortgage Loans and Mortgage-Backed Securities; Nonmortgage Loans; Deposits and Escrows; and Total Borrowings. OTS will allow all institutions, regardless of asset size, to use month-end data in calculating average balance sheet data.

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The conclusions from responses to a separate OTS proposal to amend Schedule CMR (Consolidated Maturity and Balance) the OTS schedule evaluating interest rate risk, will be released at a later date.

A copy of the Federal Notice published on September 2<sup>nd</sup> is also attached. Additional information including sample forms can be obtained on OTS's web site at [www.ots.treas.gov](http://www.ots.treas.gov). A copy of this notice and the sample forms will be sent to all FR report preparers.

**RESCINDED**



# Office of Thrift Supervision

# NEWS

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FOR RELEASE:  
Friday, August 29, 2003  
OTS 03-28

CONTACT:  
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## **OTS LEAVES TFR FILING DUE DATE UNCHANGED**

WASHINGTON – The Office of Thrift Supervision (OTS) announced today that it will retain the same filing due date for the 2004 Thrift Financial Report (TFR) — 30 days after the end of the quarter — that the other banking agencies have for the Call Report. The filing due date for Schedules HC (Thrift Holding Company) and CMR (Consolidated Maturity/Rate) will also remain the same, 45 days after the close of the quarter.

The decision was based on comments received on proposed changes to the TFR published in the *Federal Register* on January 23, 2003. A second notice will be published in the *Federal Register* on Tuesday, September 2, and a copy forwarded to the Office of Management and Budget for approval as required by the Paperwork Reduction Act of 1995.

In response to public comments, the agency also made changes to the original proposal to reduce reporting burden and facilitate timely reporting.

- OTS will allow all institutions, regardless of asset size, to use month-end data in calculating average balance sheet data.
- The proposed data collection on transactions with affiliates will be combined into two line items corresponding to transactions under Sections 23A and 23B of the Federal Reserve Act.
- Beginning with 2004 reports, OTS Form H-b(11), the Holding Company Annual/Current Report, will be revised to reduce duplicative reporting requirements.
- Dividends on Federal Home Loan Bank stock will be included in net interest income.
- Schedule CSS (Subordinate Organization) will continue to be collected on an annual basis, but the number of subsidiaries required to report will be significantly reduced.

The remaining changes to the 2004 TFR will be adopted as proposed in the January 23<sup>rd</sup> *Federal Register* notice. These changes will enhance the usefulness of the TFR from a supervisory perspective and will more closely align reporting among the federal banking agencies.

The conclusions from responses to a separate OTS proposal to amend Schedule CMR, the OTS schedule on interest rate risk data, will be released at a later date.

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The Office of Thrift Supervision (OTS), an office of the Department of the Treasury, regulates and supervises the nation's thrift industry. OTS's mission is to ensure the safety and soundness of thrift institutions and to support their role as home mortgage lenders and providers of other community credit and financial services. For copies of news releases and other documents, visit the OTS web page at [www.ots.treas.gov](http://www.ots.treas.gov).

**SUPPLEMENTARY INFORMATION:** The OCC is proposing to extend OMB approval, without change, of the following information collection:

*Title:* Investment Securities (12 CFR 1).

*OMB Number:* 1557-0205.

*Description:* This submission covers an existing regulation and involves no change to the regulation or to the information collection requirements. The OCC requests only that OMB extend its approval of the information collection.

*The information collection requirements in 12 CFR part 1 are as follows:*

Under 12 CFR 1.3(h)(2), a national bank may request an OCC determination that it may invest in an entity that is exempt from registration under section 3(c)(1) of the Investment Company Act of 1940 if the portfolio of the entity consists exclusively of assets that a national bank may purchase and sell for its own account. The OCC uses the information contained in the request as a basis for determining that the bank's investment is consistent with its investment authority under applicable law and does not pose unacceptable risk.

Under 12 CFR 1.7(b), a national bank may request OCC approval to extend the five-year holding period of securities held in satisfaction of debts previously contracted (DPC) for up to an additional five years. The bank must provide a clearly convincing demonstration of why any additional holding period is needed. The OCC uses the information in the request to ensure, on a case-by-case basis, that the bank's purpose in retaining the securities is not speculative and that the bank's reasons for requesting the extension are adequate, and to evaluate the risks to the bank of extending the holding period, including potential effects on bank safety and soundness.

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

*Affected Public:* Businesses or other for-profit.

*Estimated Number of Respondents:* 25.

*Estimated Total Annual Responses:* 25.

*Estimated Total Annual Burden:* 460 hours.

*Frequency of Response:* On occasion.

Dated: August 26, 2003.

**Mark J. Tenhundfeld,**

*Assistant Director, Legislative and Regulatory Activities Division.*

[FR Doc. 03-22288 Filed 8-29-03; 8:45 am]

**BILLING CODE 4810-33-P**

## DEPARTMENT OF THE TREASURY

### Office of Thrift Supervision

#### Submission for OMB Review; Comment Request—Thrift Financial Report and Monthly Cost of Funds

**AGENCY:** Office of Thrift Supervision (OTS), Treasury.

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

**SUMMARY:** The information collection requirement described below has been submitted to the Office of Management and Budget (OMB) for review, as required by the Paperwork Reduction Act of 1995.

**DATES:** Submit written comments on or before October 2, 2003.

**ADDRESSES:** Send comments, referring to the collection by title of the proposal or by OMB approval number, to OMB and OTS at these addresses: Joseph F. Lackey, Jr., Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10235, New Executive Office Building, Washington, DC 20503, or e-mail to [Joseph.F.Lackey\\_Jr@omb.eop.gov](mailto:Joseph.F.Lackey_Jr@omb.eop.gov); and Information Collection Comments, Chief Counsel's Office, Office of Thrift Supervision, 1700 G Street, NW., Washington, DC 20552, by fax to (202) 906-6518, or by e-mail to [infocollection.comments@ots.treas.gov](mailto:infocollection.comments@ots.treas.gov). Commenters should be aware that there may be unpredictable and lengthy delays in postal deliveries to the Washington, D.C. area and may prefer to make their comments via facsimile, e-mail, or hand delivery. OTS will post comments and the related index on the OTS Internet Site at <http://www.ots.treas.gov>. In addition, interested persons may inspect comments at the Public Reading Room, 1700 G Street, NW., by appointment. To make an appointment, call (202) 906-5922, send an e-mail to [publicinfo@ots.treas.gov](mailto:publicinfo@ots.treas.gov), or send a facsimile transmission to (202) 906-7755.

**FOR FURTHER INFORMATION CONTACT:** To obtain a copy of the submission to OMB, contact Marilyn K. Burton at [marilyn.burton@ots.treas.gov](mailto:marilyn.burton@ots.treas.gov), (202) 906-6467, or facsimile number (202) 906-6518, Regulations and Legislation Division, Chief Counsel's Office, Office of Thrift Supervision, 1700 G Street, NW., Washington, DC 20552. You can obtain a copy of the March 2004 Thrift Financial Report form from the OTS Internet Site at <http://www.ots.treas.gov>.

**SUPPLEMENTARY INFORMATION:** OTS may not conduct or sponsor an information collection, and respondents are not

required to respond to an information collection, unless the information collection displays a currently valid OMB control number. As part of the approval process, we invite comments on the following information collection.

*Title of Proposal:* Thrift Financial Report (TFR) and Monthly Cost of Funds

*OMB Number:* 1550-0023.

*Form Number:* OTS 1313.

*Description:* OTS collects financial data from OTS-regulated savings associations and their subsidiaries and holding companies in order to assure their safety and soundness as depositories of the personal monies of the general public. OTS monitors the association's financial position and interest-rate risk so that adverse conditions can be identified promptly.

*Discussion of Comments and Requested Form Changes:* After publishing in the **Federal Register** on January 23, 2003 (68 FR 3318) notice of its intent to make certain changes to the Thrift Financial Report (TFR) effective March 2004 and reviewing and analyzing all comments, OTS has made the following changes to its information collection request to OMB:

*Acceleration of Due Dates:* Because the majority of the commenters opposed accelerating the filing due date for the TFR and since OTS does not want to impose additional reporting burden on the industry, OTS will not change the TFR filing due date. OTS will retain the same filing due date that the other banking agencies have for the Call Report, which is 30 days after the end of the quarter. Additionally, the filing due date for Schedules HC (Holding Company) and CMR (Consolidated Maturity/Rate) will remain at 45 days after the close of the quarter.

*Average Balance Sheet Data:* OTS will collect the average balance sheet data proposed, but at the request of several commenters, OTS will allow all institutions regardless of their asset size to use month-end data in their calculations, rather than requiring the use of daily or weekly balances. The averages will be included in Schedule SI and will be publicly available.

*Transactions with Affiliates:* Due to public response, OTS will combine its proposed items into two line items: (1) Outstanding balances of covered transactions with affiliates that are subject to quantitative limits (Transactions under section 23A of the Federal Reserve Act) and (2) Activity during the quarter of other covered transactions with affiliates, not subject to quantitative limits (Transactions under section 23B of the Federal Reserve Act). This information will be

confidential and will not be released to the public. These two data items will be included on Schedule SI and will be due 30 days after the close of the quarter.

**Holding Company Data:** OTS will expand the holding company data collected in Schedule HC as proposed. Clarifications will be made to the TFR instructions to address comments regarding the scope of some of the supplemental questions. For instance, OTS has narrowed which subsidiaries must be included to those determined to be significant based on consolidated assets, consolidated gross revenues, or the volume of affiliate transactions. Additionally, effective with 2004 reporting, OTS will revise Form H-b(11) to reduce duplicative reporting requirements.

**Federal Home Loan Bank Dividends:** As proposed, OTS will add a line in Schedule SO (Statement of Operations) for Federal Home Loan Bank dividend income. As requested by commenters, OTS will include FHLB dividends in net interest income, conforming to the presentation in the commercial bank Call Report. In Schedule SO (Statement of Operations), OTS will add a new section following Interest Income for Dividend Income on Equity Investments Not Subject to FASB Statement No. 115, which will include Federal Home Loan Bank dividend income. This new section will be included in net interest income. OTS will also revise Schedule SC (Statement of Condition) to include Federal Home Loan Bank stock under the section for equity investments not subject to FASB Statement No. 115.

**Refinancing Loans:** OTS will change the definition of CF360, Refinancing Loans, to include any mortgage loan that is not a purchase money mortgage.

**Schedule CSS (Subsidiary Schedule):** In response to comments, OTS will leave the collection frequency of Schedule CSS as annual and, additionally, will require reporting only of those subsidiaries that meet any one of the following criteria: (1) The gross revenue of the consolidated subsidiary is 5% or more of the gross revenue of the consolidated thrift; or (2) the total assets of the consolidated subsidiary are 5% or more of the consolidated thrift assets; or (3) the consolidated subsidiary is regulated by a state insurance department, the Securities and Exchange Commission, or the Commodity Futures Trading Commission; or (4) the Regional Director deems there is a supervisory reason for requiring the reporting of the subsidiary. Institutions may continue to report subsidiaries that are not required to be reported if they choose.

**All Other Revisions:** OTS will adopt as proposed the remaining changes to the 2004 TFR published in the **Federal Register** on January 23, 2003 (68 FR 3318).

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

**Affected Public:** Savings Associations.

**Estimated Number of Respondents:** 925.

**Estimated Frequency of Response:** Variable depending on the schedule—Monthly, Quarterly, or Annually.

**Estimated Burden Hours per Response:** 35.42 hours average for quarterly schedules, 2.5 hours average for schedules required annually, and 0.5 hours for the monthly schedule, plus recordkeeping of an average of one hour per quarter.

**Estimated Total Burden:** 142,608 hours. Because some of these proposed changes will not affect all savings associations that file the TFR, the burden hours reflected above may vary from institution to institution.

**Clearance Officer:** Marilyn K. Burton, (202) 906-6467, Office of Thrift Supervision, 1700 G Street, NW., Washington, DC 20552.

**OMB Reviewer:** Joseph F. Lackey, Jr., (202) 395-7316, Office of Management and Budget, Room 10235, New Executive Office Building, Washington, DC 20503.

Dated: August 26, 2003.

**James E. Gilleran,**

*Director, Office of Thrift Supervision.*

[FR Doc. 03-22246 Filed 8-29-03; 8:45 am]

**BILLING CODE 6720-01-P**

## DEPARTMENT OF THE TREASURY

### Office of Thrift Supervision

#### Submission for OMB Review; Comment Request—Loan Application Register (HMDA)

**AGENCY:** Office of Thrift Supervision (OTS), Treasury.

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

**SUMMARY:** The proposed information collection requirement described below has been submitted to the Office of Management and Budget (OMB) for review, as required by the Paperwork Reduction Act of 1995. OTS is soliciting public comments on the proposal.

**DATES:** Submit written comments on or before October 2, 2003.

**ADDRESSES:** Send comments, referring to the collection by title of the proposal or by OMB approval number, to OMB and OTS at these addresses: Joseph F. Lackey, Jr., Office of Information and Regulatory Affairs, Office of

Management and Budget, Room 10235, New Executive Office Building, Washington, DC 20503, or e-mail to [Joseph\\_F\\_Lackey\\_Jr@omb.eop.gov](mailto:Joseph_F_Lackey_Jr@omb.eop.gov); and Information Collection Comments, Chief Counsel's Office, Office of Thrift Supervision, 1700 G Street, NW., Washington, DC 20552, by fax to (202) 906-6518, or by e-mail to [infocollection.comments@ots.treas.gov](mailto:infocollection.comments@ots.treas.gov). OTS will post comments and the related index on the OTS Internet Site at <http://www.ots.treas.gov>. In addition, interested persons may inspect comments at the Public Reading Room, 1700 G Street, NW., by appointment. To make an appointment, call (202) 906-5922, send an e-mail to [publicinfo@ots.treas.gov](mailto:publicinfo@ots.treas.gov), or send a facsimile transmission to (202) 906-7755.

**FOR FURTHER INFORMATION CONTACT:** To obtain a copy of the submission to OMB, contact Marilyn K. Burton at [marilyn.burton@ots.treas.gov](mailto:marilyn.burton@ots.treas.gov), (202) 906-6467, or facsimile number (202) 906-6518, Regulations and Legislation Division, Chief Counsel's Office, Office of Thrift Supervision, 1700 G Street, NW., Washington, DC 20552.

**SUPPLEMENTARY INFORMATION:** OTS may not conduct or sponsor an information collection, and respondents are not required to respond to an information collection, unless the information collection displays a currently valid OMB control number. As part of the approval process, we invite comments on the following information collection.

**Title of Proposal:** Loan Application Register (HMDA).

**OMB Number:** 1550-0021.

**Form Number:** N/A.

**Regulation requirement:** 12 CFR 203.

**Description:** The Home Mortgage Disclosure Act (HMDA), 12 U.S.C. 2801, requires this collection of information. In accordance with the HMDA, the Board of Governors of the Federal Reserve System (FRB) promulgates and administers HMDA regulations, which are prescribed as part of the FRB's Regulation C (12 CFR 203), implementing the HMDA (12 U.S.C. 2801-2810). HMDA forms as well as collection and recordkeeping requirements are approved under OMB Control No. 7100-0247. The FRB supporting statement forms the decisional basis for the OMB action. This submission discusses the burden imposed by Regulation C on the institutions OTS regulates.

**Type of Review:** Renewal.

**Affected Public:** Savings Associations.

**Estimated Number of Respondents:** 718 (loan application registers (LARs)).

**Estimated Frequency of Response:** Annually.