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FEDERAL RESERVE SYSTEM

Proposed Agency Information Collection Activities; Comment Request

AGENCY: Board of Governors of the Federal Reserve System.

SUMMARY: On June 15, 1984, the Office of Management and Budget (OMB) delegated to the Board of Governors of the Federal Reserve System (Board) its approval authority under the Paperwork Reduction Act (PRA), to approve of and assign OMB 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 PRA 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 number.

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

ADDRESSES: You may submit comments, identified by *FR 4004* or *FR 4201*, 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. Include the OMB control number in the subject line of the message.
- FAX: 202-452-3819 or 202-452-3102.
- Mail: Robert deV. Frierson, Secretary, Board of Governors of the Federal Reserve System, 20th 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 18th and 19th 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 17th 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 following information collections, which are being handled under delegated authority, have received initial Board approval and are hereby published for comment. At the end of the comment period, the proposed information collections, along with an analysis of all comments and recommendations received, will be submitted to the Board for final approval under OMB delegated authority. Comments are invited on the following:

- a. Whether the proposed collections of information are 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.

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

1. Report title: Written Security Program for State Member Banks.

Agency form number: FR 4004.

OMB control number: 7100-0112.

Frequency: On occasion.

Reporters: State member banks.

Number of respondents: 45.

Estimated average hours per response: 0.5 hours.

Estimated annual reporting hours: 23 hours.

Abstract: The board of directors of each state member bank must designate a security officer to assume the responsibility for the development and administration of a written security program within 180 days of opening for business. Each state member bank must develop and implement a written security program for the bank's main office and branches and maintain it in the bank's records. The designated security officer must report at least annually to the bank's board of directors on the implementation, administration, and effectiveness of the written security program. There is no formal reporting form and the information is not submitted to the Federal Reserve.

Legal authorization and confidentiality: This recordkeeping requirement is mandatory pursuant to section 3 of the Bank Protection Act (12 U.S.C. 1882(a)) and Regulation H (12 CFR 208.61). Because written security programs are maintained at state member banks, no issue of confidentiality under the Freedom of Information Act (FOIA) normally arises. However, copies of such documents included in examination work papers would, in such form, be confidential pursuant to exemption 8 of FOIA (5 U.S.C. 552(b)(8)). In addition, the records may also be exempt from disclosure under exemption 4 of FOIA (5 U.S.C. 552(b)(4)).

2. *Report title:* Risk-Based Capital Guidelines: Market Risk.

Agency form number: FR 4201.

OMB control number: 7100-0314.

Frequency: Varied - some requirements are done at least quarterly and some at least annually.

Reporters: State member banks, bank holding companies, and certain savings and loan holding companies.

Number of respondents: 28.

Estimated burden per respondent: 1,964 hours.

Total estimated annual burden: 54,992 hours.

Abstract: The market risk rule is an important component of the Board's regulatory capital framework (12 CFR 217) that requires banking organizations to measure and hold capital to cover their exposure to market risk. On July 2, 2013, the Federal Reserve adopted a revised regulatory capital framework, including the market risk rule, which was expanded to include certain savings and loan holding companies. The information-collection requirements in the market risk rule provide the most current statistical data available to identify areas of market risk on which to focus for onsite and offsite examinations and allow the Federal Reserve to assess and monitor the levels and components of each reporting institution's risk-based capital requirements for market risk and the adequacy of the institution's capital under the market risk

rule. The reporting, recordkeeping, and disclosure requirements are found in sections 12 CFR 217.203-217.210, and 217.212. These requirements enhance risk sensitivity and introduce requirements for public disclosure of certain qualitative and quantitative information about a financial institution's market risk. There are no required reporting forms associated with this information collection.

Legal authorization and confidentiality: The FR 4201 is authorized under 12 U.S.C. 324, 1844(c), and 1467a(b)(2)(A). Information collected pursuant to the reporting requirements of the FR 4201 (specifically, information related to seeking regulatory approval for the use of certain incremental and comprehensive risk models and methodologies under sections 217.208 and 217.209) is exempt from disclosure pursuant to exemption (b)(8) of FOIA (5 U.S.C 552(b)(8)), and exemption (b)(4) of FOIA (5 U.S.C. 552(b)(4)). Exemption (b)(8) applies because the reported information is contained in or related to examination reports. Exemption (b)(4) applies because the information provided to obtain regulatory approval of the incremental or comprehensive risk models is confidential business information the release of which could cause substantial competitive harm to the reporting company. The recordkeeping requirements of the FR 4201 require banking organizations to maintain documentation regarding certain policies and procedures, trading and hedging strategies, and internal models. These documents would remain on the premises of the banking organizations and accordingly would not generally be subject to a FOIA request. To the extent these documents are provided to the regulators, they would be exempt under exemption (b)(8), and may be exempt under exemption (b)(4). Exemption (b)(4) protects from disclosure "trade secrets and commercial or financial information obtained from a person and privileged or confidential." The disclosure requirements of the FR 4201 do not raise any confidentiality issues because they require banking organizations to make certain information public.

Board of Governors of the Federal Reserve System, February 18, 2016.

Robert deV. Frierson,
Secretary of the Board.

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