



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, with revision, the Interagency Policy Statement on Funding and Liquidity Risk Management (FR 4198; OMB No. 7100-0326).

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 4198*, 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>.
- E-mail: 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, 20th Street and Constitution Avenue, N.W., Washington, DC 20551.

All public comments are available on the Board's website at <https://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 146, 1709 New York Avenue, N.W., Washington, DC 20006, between 9:00 a.m. and 5:00

p.m. on weekdays. For security reasons, the Board requires that visitors make an appointment to inspect comments. You may do so by calling (202) 452-3684. Upon arrival, visitors will be required to present valid government-issued photo identification and to submit to security screening in order to inspect and photocopy comments.

Additionally, commenters may send a copy of their comments to the Office of Management and Budget (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, N.W., Washington, DC 20503, or by fax to (202) 395-6974.

FOR FURTHER INFORMATION CONTACT: A copy of the Paperwork Reduction Act (PRA) OMB submission, including the proposed reporting form and instructions, supporting statement, and other documentation will be placed into OMB’s public docket files, if approved. These documents will also be made available on the 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.

SUPPLEMENTARY INFORMATION: On June 15, 1984, OMB delegated to the Board authority under the PRA to approve 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.

Request for comment on information collection proposal

The Board invites public comment on the following information collection, which is 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 Board's functions, including whether the information has practical utility;
- b. The accuracy of the Board'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 Board should modify the proposal.

Proposal under OMB delegated authority to extend for three years, with revision, the following information collection:

Report title: Interagency Policy Statement on Funding and Liquidity Risk Management.

Agency form number: FR 4198.

OMB control number: 7100-0326.

Frequency: Annually.

Respondents: Bank holding companies, savings and loan holding companies, state-licensed branches and agencies of foreign banks (other than insured branches), corporations organized or

operating under sections 25 or 25A of the Federal Reserve Act (agreement corporations and Edge corporations), and state member banks (collectively, financial institutions).

Estimated number of respondents: Implementing recordkeeping, 30; ongoing recordkeeping, 4,789.

Estimated average hours per response: Implementing recordkeeping, 160 hours; ongoing recordkeeping, 32 hours.

Estimated annual burden hours: 158,048 hours.

General description of report: The Interagency Policy Statement on Funding and Liquidity Risk Management (Guidance)¹ states that financial institutions should develop and document liquidity risk management policies and procedures commensurate with the institution's complexity, risk profile, and scope of operations. Sections 3 and 6 of the Guidance provide that financial institutions should maintain such policies and procedures. Section 6 of the Guidance states that financial institutions should have a contingency funding plan (CFP) that sufficiently addresses potential adverse liquid events and emergency cash flow requirements, and section 34 of the Guidance states that the CFP should be documented.

Proposed revisions: The Board is proposing to revise the FR 4198 to account for all of the recordkeeping provisions set forth in the Guidance related to liquidity risk management policies, procedures, and assumptions, and CFPs. The FR 4198 currently does not account for the recordkeeping provisions related to CFPs and does not fully account for the recordkeeping provisions related to liquidity risk management policies, procedures, and assumptions.

¹ "Interagency Policy Statement on Funding and Liquidity Risk Management," 75 FR 13656 (March 22, 2010). The Guidance was published jointly by the Board, the Office of the Comptroller of the Currency, the Office of Thrift Supervision, the Federal Deposit Insurance Corporation, and the National Credit Union Administration.

Legal authorization and confidentiality: The recordkeeping provisions of the Guidance are authorized pursuant to sections 9(6), 25, and 25A of the Federal Reserve Act² (for state member banks, agreement corporations, and Edge corporations, respectively); section 5(c) of the Bank Holding Company Act³ (for bank holding companies); section 10(b)(3) of the Home Owners' Loan Act⁴ (savings and loan holding companies); and section 7(c)(2) of the International Banking Act⁵ (state-licensed branches and agencies of foreign banks, other than insured branches). Because the recordkeeping provisions are contained within guidance, which is nonbinding, they are voluntary.⁶ There are no reporting forms associated with this information collection.

Because these records would be maintained at each banking organization, the Freedom of Information Act (FOIA) would only be implicated if the Board obtained such records as part of the examination or supervision of a banking organization. In the event the records are obtained by the Board as part of an examination or supervision of a financial institution, this information may be considered confidential pursuant to exemption 8 of the FOIA, which protects information contained in “examination, operating, or condition reports” obtained in the bank supervisory process (5 U.S.C. 552(b)(8)). In addition, the information may also be kept confidential under exemption 4 for the FOIA, which protects “commercial or financial information obtained from a person [that is] privileged or confidential” (5 U.S.C. 552(b)(4)).

² 12 U.S.C. 324, 602, and 625, respectively.

³ 12 U.S.C. 1844(c).

⁴ 12 U.S.C. 1467a(b)(3).

⁵ 12 U.S.C. 3105(c)(2).

⁶ See SR 18-5 / CA 18-7: Interagency Statement Clarifying the Role of Supervisory Guidance (Sept. 11, 2018).

Consultation outside the agency: The Guidance was published jointly by the Board, the Office of the Comptroller of the Currency, the Office of Thrift Supervision, the Federal Deposit Insurance Corporation, and the National Credit Union Administration. There has been no consultation outside of the Federal Reserve System with regard to the current proposal to extend the FR 4198 for three years, with revision.

Board of Governors of the Federal Reserve System, June 20, 2019.

Michele Taylor Fennell,

Assistant Secretary of the Board.

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