



## 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 Government Securities Dealers Reports (FR 2004; OMB No. 7100-0003).

**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, by any of the following methods:

- Agency Website: <https://www.federalreserve.gov/>. Follow the instructions for submitting comments at <https://www.federalreserve.gov/apps/foia/proposedregs.aspx>.
- E-mail: [regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov). Include the 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

<https://www.federalreserve.gov/apps/foia/proposedregs.aspx> as submitted, unless modified for technical reasons or to remove personally identifiable information at the commenter's request.

Accordingly, comments will not be edited to remove any identifying or contact information.

Public comments may also be viewed electronically or in paper in Room 146, 1709 New York Avenue, NW, 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 17<sup>th</sup> Street, NW, Washington, DC 20503, or by fax to (202) 395-6974.

**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.

**SUPPLEMENTARY INFORMATION:** On June 15, 1984, OMB delegated to the Board authority under the PRA to approve and assign OMB control numbers to collections of information 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.

A copy of the Paperwork Reduction Act (PRA) OMB submission, including the reporting form and instructions, supporting statement, and other documentation will be available at <https://www.reginfo.gov/public/do/PRAMain>, if approved. These documents will also be made available on the Board’s public website at <https://www.federalreserve.gov/apps/reportforms/review.aspx> or may be requested from the agency clearance officer, whose name appears above.

**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:* 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:* 24.

*Estimated average hours per response:* FR 2004A, 3.0; FR 2004B, 3.7; FR 2004C, 4.1; FR 2004SI, 2.2; FR 2004SD, 2.2; FR 2004SD ad hoc, 2.0; FR 2004WI, 1.0; FR 2004FA, 1.0; FR 2004FB, 1.0; FR 2004FC, 1.0; and FR 2004FM, 1.5.

*Estimated annual burden hours:* FR 2004A, 3,744; FR 2004B, 4,618; FR 2004C, 5,117; FR 2004SI, 2,746; FR 2004SD, 2,112; FR 2004SD ad hoc, 1,248; FR 2004WI, 3,840; FR 2004FA, 288; FR 2004FB, 288; FR 2004FC, 288; FR 2004FM, 432.

*General description of report:* The Federal Reserve Bank of New York (FRBNY), 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 (2) assist and support the U.S. Department of the Treasury (Treasury) in its role as fiscal agent for Treasury financing operations. In addition, these data are used in the analysis of broad financial conditions and a range of financial stability issues.

*Proposed revisions:* The Board proposes to revise several of the reporting forms, as follows:

1. FR 2004A – Add two rows to collect data on gross positions for Treasury coupon bonds due in more than 11 years but less than or equal to 21 years and Treasury coupon bonds due in more than 21 years, beginning with the July 7, 2021, as of date. Also, delete an existing row to collect data on gross positions for Treasury coupons bonds “due in more than 11 years.” Additionally, add a row to collect Federal Agency and GSE Residential Pass-through MBS TBAs separately from Specified pools.
2. FR 2004B – Mirroring the changes on the FR 2004A, add two rows to collect data on outright transactions of Treasury coupon bonds due in more than 11 years but less than or equal to 21 years and Treasury coupon bonds due in more than 21 years, and delete an existing row for Treasury coupon securities due in more than 11 years, beginning with

the July 7, 2021, as of date. Additionally, add two rows to separately collect Federal Agency and GSE Residential Pass-through MBS TBAs transactions from Specified Pool transactions, with each further broken down into the existing cash/dollar roll splits.

3. FR 2004C – For each asset category, add a split by clearing/settlement venue: Uncleared Bilateral – Specified and General; Cleared Bilateral – Specified, General, and Sponsored; GCF; and Triparty (excluding GCF). Add eighteen columns for current tenor breakdown to be applied to each column. Add five rows to capture securities financing activity for Federal Agency and GSE Residential MBS separately from Federal Agency and GSE Commercial MBS and to separate “Total Repo” from “Total Other Financing Activity.”
4. FR 2004SI – Add an additional row to separately collect transactions, net positions, financing arrangements, and settlement fails for the 20 year Treasury bond, beginning with the July 7, 2021, as of date.
5. FR 2004SD – Add an additional row to separately collect transactions, net positions, financing arrangements, and settlement fails for the 20 year Treasury bond, beginning with the July 7, 2021, as of date.
6. FR 2004WI – Add a row to separately collect data on net positions, forward financing commitments, and outright transactions for new or re-opened 20 year Treasury bonds trading in the when-issued market, beginning with the July 7, 2021, as of date.
7. FR 2004FA – The FHLMC and FNMA implemented the Single Security Initiative in June 2019. This action created a new uniform mortgage-backed security (UMBS) to be issued and guaranteed by either FNMA or FHLMC, to be backed by fixed-rate 30-, 20-, 15-, or 10-year single-family mortgage loans. To reflect this structural market change, modify the column headings for columns 1 and 2 for all sections of the report form from “FNMA” to “FNMA/FHLMC UMBS,” beginning with the July 2021 as of date. Modify the column headings for columns 3 and 4 for all sections of the report form from “FHLMC” to “FHLMC (non-UMBS),” beginning with the July 2021 as of date.

8. FR 2004FB – Mirroring the changes on the FR 2004FA, modify the column headings for columns 1 and 2 for all sections of the report form from “FNMA” to “FNMA/FHLMC UMBS,” effective with the July 2021 as of date. Modify the column headings for columns 3 and 4 for all sections of the report form from “FHLMC” to “FHLMC (non-UMBS),” beginning with the July 2021 as of date.
9. FR 2004FM - Modify the column headings for columns 1 and 2 for all sections of the report form from “FNMA” to “FNMA/FHLMC UMBS,” beginning with the July 30, 2021, as of date. Modify the column headings for columns 3 and 4 for all sections of the report form from “FHLMC” to “FHLMC (non-UMBS),” beginning with the July 30, 2021, as of date.
10. Revise the instructions to provide additional guidance on report consolidation rules for primary dealers when the legal entity serving as a primary dealer is a branch or agency of an FBO.

*Legal authorization and confidentiality:* The information collected on the FR 2004 series of reports is generally authorized under sections 2A, 12A(c), 14, and 15 of the Federal Reserve Act. Section 2A requires that the Board and the Federal Open Market Committee “maintain long run growth of the monetary and credit aggregates commensurate with the economy’s long run potential to increase production, so as to promote effectively the goals of maximum employment, stable prices, and moderate long-term interest rates” (12 U.S.C. 225a). Section 12A(c) further provides that the time, character, and volume of open market operations “shall be governed with a view to accommodating commerce and business and with regard to their bearing upon the general credit situation of the country” (12 U.S.C. 263(c)). Additionally, section 14 authorizes the Federal Reserve Banks to engage in open market operations (12 U.S.C. 353-359). Finally, section 15 permits the Federal Reserve Banks, at the direction of the Secretary of the Treasury, to act as fiscal agents of the United States (12 U.S.C. 391). The Board has implicit authority to

collect data to carry out the requirements of the foregoing statutory provisions.<sup>1</sup> Filing the FR 2004 series is a condition of obtaining and retaining primary dealer status. Thus, the obligation to respond is “required to obtain or retain a benefit” because being a primary dealer allows a firm to act as a trading counterparty of the FRBNY in the implementation of its monetary policy.<sup>2</sup>

While aggregate data from certain of the forms in the FR 2004 series will be published, individually identifying information may be kept confidential under exemption 4 and, in certain circumstances, exemption 8 of the Freedom of Information Act (FOIA) (5 U.S.C. 552(b)(4) and (b)(8)). Individual respondent data collected through the FR 2004 may be considered confidential pursuant to FOIA exemption 4 to the extent these responses contain nonpublic commercial or financial information, which is both customarily and actually treated as private by the respondent. Moreover, to the extent that the information is “contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of [the Board],” the information may be withheld by the Board under FOIA exemption 8.

Board of Governors of the Federal Reserve System, December 8, 2020.

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**Michele Taylor Fennell,**

*Deputy Associate Secretary of the Board.*

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<sup>1</sup> Additionally, depending upon the survey respondent, a more precise statute may authorize the data collection. For example, the Board is authorized to collect information from bank holding companies (and their subsidiaries) under section 5(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 1844(c)) and from depository institutions under section 11(a) of the Federal Reserve Act (12 U.S.C. 248(a)).

<sup>2</sup> See 5 CFR 1320.8(b)(3)(iv).