

ADDRESSES: Comments, which should refer to the OMB control number (or agency form number), should be addressed to William W. Wiles, Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, N.W., Washington, DC 20551, or delivered to the Board's mail room between 8:45 a.m. and 5:15 p.m., and to the security control room outside of those hours. Both the mail room and the security control room are accessible from the courtyard entrance on 20th Street between Constitution Avenue and C Street, N.W. Comments received may be inspected in room M-P-500 between 9:00 a.m. and 5:00 p.m., except as provided in section 261.8 of the Board's Rules Regarding Availability of Information, 12 CFR 261.8(a).

A copy of the comments may also be submitted to the OMB desk officer for the Board: Alexander T. Hunt, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 3208, Washington, DC 20503.

FOR FURTHER INFORMATION CONTACT: A copy of the proposed forms and instructions, the Paperwork Reduction Act Submission (OMB 83-I), supporting statement, and other documents that will be placed into OMB's public docket files once approved may be requested from the agency clearance officer, whose name appears below.

Mary M. McLaughlin, Chief, Financial Reports Section (202-452-3829), Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, DC 20551. Telecommunications Device for the Deaf (TDD) users may contact Dorothea Thompson (202-452-3544), Board of Governors of the Federal Reserve System, Washington, DC 20551.

Proposal to approve under OMB delegated authority the extension, with revision, of the following reports:

1. *Report title:* Weekly Report of Eurodollar Liabilities Held by Selected U.S. Addressees at Foreign Offices of U.S. Banks

Agency form number: FR 2050
OMB control number: 7100-0068

Frequency: Weekly

Reporters: Large foreign branches and banking subsidiaries of U.S. banks
Annual reporting hours: 2,860

Estimated average hours per response: 1.0

Number of respondents: 54 branches, 1 subsidiary

Small businesses are not affected.

General description of report: This information collection is voluntary (12 U.S.C. 248(a)(2), 353 et seq., 461, 602, and 625) and is given confidential treatment (5 U.S.C. 552(b)(4)).

Abstract: This report collects data on overnight and term Eurodollars held by certain U.S. residents in selected foreign branches and subsidiaries of U.S. commercial banks and Edge and agreement corporations. The data are used for the construction of the Eurodollar component of the monetary aggregates and for analysis of banks' liability management practices.

Under the proposed revisions the reporting threshold would be raised from a weekly average of \$200 million to \$350 million in Eurodollar liabilities. Additions and deletions to the reporting panel would be made only annually. The number of data items collected would be reduced from 4 to 2. As a result of the redefinition of the M2 monetary aggregate in February 1996, the overnight Eurodollar component of M2 was moved to the non-M2 component of M3, where the term component currently is included. Since the separation of the two nonnegotiable Eurodollar items (overnight and term) is no longer necessary, they would be combined into a single item, and the memorandum item would be dropped from the report.

The revised report would be implemented as of the reporting week ending Monday, March 31, 1997.

2. *Report title:* Quarterly Report of Assets and Liabilities of Large Foreign Offices of U.S. Banks

Agency form number: FR 2502q
OMB control number: 7100-0079

Frequency: Quarterly

Reporters: Large foreign branches and banking subsidiaries of U.S. banks

Annual reporting hours: 7,266

Estimated average hours per response: 3.5

Number of respondents: 483 branches, 36 subsidiaries

Small businesses are not affected.

General description of report: This information collection is mandatory (12 U.S.C. 248(a)(2), 353 et seq., 461, 602, and 625) and is given confidential treatment (5 U.S.C. 552(b)(4)).

Abstract: This report collects assets and liability information from foreign branches and subsidiaries of U.S. commercial banks and Edge and agreement corporations. A separate schedule collects information on Eurodollar liabilities payable to certain U.S. addressees. The data are used in the construction of the monetary aggregates and to monitor flows of funds between banks and their branches. The data also are combined with data from other sources to develop a profile of the total exposure of U.S. banks to individual countries. Together with data from the Department of the Treasury, the FR 2502q provides information that

the Bank for International Settlements compiles from all G-10 countries on international banking market developments. In addition, data from the FR 2502q are used by the Department of Commerce to estimate the capital accounts portions of the balance of payments.

Under the proposed revisions, the reporting threshold for branches would be raised from \$150 million to \$500 million in total assets. The number of data items collected on the Eurodollar schedule would be reduced from three to one, and updates and clarifications would be made to the reporting form and instructions.

The revised report would be implemented on the March 31, 1997, as of date.

Board of Governors of the Federal Reserve System, December 24, 1996

William W. Wiles,

Secretary of the Board.

[FR Doc. 96-33162 Filed 12-27-96; 8:45AM]

BILLING CODE 6210-01-F

Agency Information Collection Activities: Proposed Collection; Comment Request

AGENCY: Board of Governors of the Federal Reserve System

ACTION: Notice

Background

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 of 1995, as per 5 CFR 1320.16, to approve of and assign OMB control numbers to collection of information requests and requirements conducted or sponsored by the Board under conditions set forth in 5 CFR 1320 Appendix A.1. 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. Board-approved collections of information will be incorporated into the official OMB inventory of currently approved collections of information. A copy of the OMB 83-I and supporting statement and the approved collection of information instrument will be placed into OMB's public docket files. The following information collection, which is being handled under this delegated authority, has received initial Board approval and is hereby published for comment. At the end of the comment period, the

proposed information collection, along with an analysis of 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 collection of information is 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; and

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.

DATES: Comments must be submitted on or before February 28, 1997.

ADDRESSES: Comments, which should refer to the OMB control number (or Agency form number in the case of a new information collection that has not yet been assigned an OMB number), should be addressed to William W. Wiles, Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, N.W., Washington, DC 20551, or delivered to the Board's mail room between 8:45 a.m. and 5:15 p.m., and to the security control room outside of those hours. Both the mail room and the security control room are accessible from the courtyard entrance on 20th Street between Constitution Avenue and C Street, N.W. Comments received may be inspected in room M-P-500 between 9:00 a.m. and 5:00 p.m., except as provided in section 261.8 of the Board's Rules Regarding Availability of Information, 12 CFR 261.8(a).

A copy of the comments may also be submitted to the OMB desk officer for the Board: Alexander T. Hunt, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 3208, Washington, DC 20503.

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Mary M. McLaughlin, Federal Reserve Board Clearance Officer (202-452-3829), Division of Research and Statistics, Board of Governors of the Federal

Reserve System, Washington, DC 20551. Telecommunications Device for the Deaf (TDD) users may contact Dorothea Thompson (202-452-3544), Board of Governors of the Federal Reserve System, Washington, DC 20551.

Proposal to approve under OMB delegated authority the extension, with revision, of the following report:

1. *Report title:* Application for Employment with the Board of Governors of the Federal Reserve System ("Application")

Agency form number: FR 28

OMB control number: 7100-0181

Frequency: on occasion
Reporters: applicants for employment with the Board

Annual reporting hours: 8,500

Estimated average hours per response: 1.0

Number of respondents: 8,500

Small businesses are not affected.

General description of report: This information collection is required to obtain or retain a benefit (12 U.S.C. 244 and 248(1)) and is given confidential treatment under the Privacy Act (5 U.S.C. 552(a)) and the Freedom of Information Act (5 U.S.C. 552(b)(2) and b(6)).

Abstract: The Federal Reserve Board proposes to extend the Application, with revisions, for three years. The purpose of the Application is to collect information to determine the qualifications, suitability, and availability of applicants for employment with the Board. The Application asks about education, training, employment, and other information covering the period since the Applicant left high school.

The proposed revisions include substantively revising several items. There are no proposed deletions. The Board further proposes revising text to comply with current law, to reflect changes in societal language preferences, and to reflect changes in the Board's *Rules Regarding Equal Opportunity*.

Board of Governors of the Federal Reserve System, December 24, 1996

William W. Wiles,

Secretary of the Board.

[FR Doc. 96-33163 Filed 12-27-96; 8:45am]

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[Docket No. R-0841]

Revenue Limit on Bank-Ineligible Activities of Subsidiaries of Bank Holding Companies Engaged in Underwriting and Dealing in Securities

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Notice.

SUMMARY: The Board is increasing from 10 percent to 25 percent the amount of total revenue that a nonbank subsidiary of a bank holding company (a so-called section 20 subsidiary) may derive from underwriting and dealing in securities that a member bank may not underwrite or deal in. The revenue limit is designed to ensure that a section 20 subsidiary will not be engaged principally in underwriting and dealing in such securities in violation of section 20 of the Glass-Steagall Act. Based on its experience supervising these subsidiaries and developments in the securities markets since the revenue limitation was adopted in 1987, the Board has concluded that a company earning 25 percent or less of its revenue from underwriting and dealing would not be engaged principally in that activity for purposes of section 20.

EFFECTIVE DATE: March 6, 1997.

FOR FURTHER INFORMATION CONTACT:

Gregory A. Baer, Managing Senior Counsel (202/452-3236), Thomas M. Corsi, Senior Attorney (202/452-3275), Legal Division; Michael J. Schoenfeld, Senior Securities Regulation Analyst (202/452-2781), Division of Banking Supervision and Regulation, Board of Governors of the Federal Reserve System. For the hearing impaired only, Telecommunication Device for the Deaf (TDD), Dorothea Thompson (202/452-3544), Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, NW., Washington, DC.

SUPPLEMENTARY INFORMATION:

I. Background

Section 20 of the Glass-Steagall Act provides that a member bank of the Federal Reserve System may not be affiliated with a company that is "engaged principally" in underwriting and dealing in securities.¹ In 1987, the Board first interpreted that phrase to allow bank affiliates to engage in underwriting and dealing in bank-ineligible securities—that is, those securities that a member bank would not be permitted to underwrite or deal in—when the Board approved applications by three bank holding companies to underwrite and deal in commercial paper, municipal revenue bonds, mortgage-backed securities, and consumer-receivable-related securities (hereafter, "tier-one securities").² In

¹ 12 U.S.C. 377.

² *Citicorp, J.P. Morgan & Co., and Bankers Trust New York Corp.*, 73 Federal Reserve Bulletin 473 (1987) (hereafter, *1987 Order*), *aff'd*, *Securities Industry Ass'n v. Board of Governors*, 839 F.2d 47,