commenters argued that the proposed changes could result in the GSIB surcharge of several firms increasing, which, in turn, could lead these firms to increase clearing costs for derivative end-users.

After considering the comments, the Board is not adopting its proposal with respect to reporting derivatives under the agency model on Schedule B in order to allow additional time to consider how to cover such activity in the context of interconnectedness. The Board will continue to consider whether agency clearing should be incorporated into the interconnectedness measures or elsewhere.

Other Comments Received

No comments were received regarding the inclusion of Mexican pesos in total payments activity or the addition of securities brokers to the definition of financial institution. Accordingly, the Board is adopting revisions to the FR Y–15 reporting form and instructions to include Mexican pesos in total payments activity on Schedule C and remove it from the Memorandum items, and to add securities brokers to the definition of financial institutions in the instructions for Schedule B. These changes are effective for the June 30, 2018, reporting date.

Several commenters stated that the proposed changes to the reporting of OTC derivatives in Schedule D would make the FR Y–15 inconsistent with the Basel Committee GSIB assessment reporting instructions.[7] In addition, certain commenters stated that the proposed revisions to Schedule B, items 5(a) and 11(a), and Schedule D, item 1, were inconsistent with the Administrative Procedure Act (APA). The Board is not adopting these proposed changes, making these arguments moot.[8]

One commenter noted that the definition of ''financial institution'' in the FR Y–15 is different from other regulatory reports and recommended aligning the varying definitions. In response, the Board acknowledges that its regulations and reporting sometimes use differing definitions for similar concepts and that this may require firms to track differences among the definitions. Firms should review the definition of ''financial institution'' in the instructions of the form on which they are reporting and should not look to similar definitions in other forms as dispositive for appropriate reporting on the FR Y–15.

A commenter also asked for clarification about whether securities financing transactions follow the regulatory capital rule definition of repo-style transactions. As described in the General Instructions of Schedule A, several items involve securities financing transactions (*i.e.,* repo-style transactions), which are transactions such as repurchase agreements, reverse repurchase agreements, and securities lending and borrowing, where the value of the transactions depends on the market valuations and the transactions are often subject to margin agreements. For purposes of reporting on the FR Y–15, the intent is that securities financing transactions are synonymous with repo-style transactions under the regulatory capital rule. In a future update of the FR Y–15, the Board will work to replace the term ''securities financing transactions'' with ''repo-style transactions'' to better align the FR Y–15 language with the regulatory capital rule.

In addition, a commenter asked for clarification regarding potential inconsistencies between similar items that are reported on different reporting forms. In particular, the commenter noted that the instructions for the FR Y–15, FFIEC 101 (Regulatory Capital Reporting for Institutions Subject to the Advanced Capital Adequacy Framework), and FR Y–14Q (Capital Assessments and Stress Testing) do not consistently allow for a reduction in fair value of sold credit protection. The Board will conduct a coordinated effort with the other banking agencies on changes to the FFIEC 101 and the FR Y–14 to ensure that the instructions appropriately clarify how any adjustments for sold credit protection should be reported.[9]

Further, a commenter asked for clarification regarding the reporting of holdings of equity investments in unconsolidated investment funds sponsored or administered by the respondent. Specifically, the commenter wanted to know whether such investments would be reported as equity securities in Schedule B, item 3(e). Per the general instructions for Schedule B, item 3, firms must include ''securities issued by equity-accounted associates (*i.e.,* associated companies and affiliates accounted for under the equity method of accounting) and special purpose entities (SPEs) that are not part of the consolidated entity for regulatory purposes.'' Therefore, such equity investments would be included in item 3(e).

A commenter also requested clarification on how collateral may reduce the exposure reported in the FR Y–15, Schedule B, items 5(a) and 11(a). For item 5(a), in cases where a qualifying master netting agreement is in place, a reporting bank may reduce its value of derivative assets by subtracting the net collateral position from the underlying obligation. In circumstances where the net collateral exceeds the payment obligation, the bank should report a fair value of zero for the netting set. Similarly, for item 11(a), in cases where a qualifying master netting agreement is in place, a reporting bank may reduce its value of derivative liabilities exposure by subtracting the net collateral position from the underlying obligation. In circumstances where the net collateral exceeds the payment obligation owed to the counterparty, the bank should report a fair value of zero for the netting set.

Board of Governors of the Federal Reserve System, June 28, 2018.

Michele Taylor Fennell,

Assistant Secretary of the Board.

[FR Doc. 2018–14304 Filed 7–2–18; 8:45 am]

BILLING CODE 6210–01–P

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, without revision, the Interagency Guidance on Managing Compliance and Reputation Risks for

[7] The international GSIB assessment reporting instructions for year-end 2017 are available at *www.bis.org/bcbs/gsib/reporting_instructions.htm.*

[8] Even if the argument regarding the APA were not moot, the Board would not have violated the APA if it decided to implement the proposed revisions to Schedule B, items 5(a) and 11(a), and Schedule D, item 1. The proposed revisions to the FR Y–15 constitute an interpretive rule or general statement of policy, and therefore may be adopted without the publication of a general notice of proposed rulemaking in the **Federal Register**. Even if such publication were necessary to adopt the proposed revisions, this requirement was satisfied because the proposal was published for comment in the **Federal Register** for a 60-day comment period. After receiving initial feedback on the proposal, the comment period was extended for 30 days to solicit additional feedback. Moreover, redlined forms, instructions, and an OMB supporting statement were made available on the Board's public website. The materials afforded commenters the opportunity to provide specific feedback regarding the exact changes being proposed. Indeed, commenters provided significant feedback based on the proposal.

[9] Any changes to these reporting forms would have to be proposed in a future **Federal Register** notice with a 60-day comment period, as required by the Paperwork Reduction Act (PRA).

Reverse Mortgage Products (FR 4029; OMB No. 7100–0330).

DATES: Comments must be submitted on or before September 4, 2018.

ADDRESSES: You may submit comments, identified by FR 4029, 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.
- *Email: 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 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. 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 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: On June 15, 1984, the Office of Management and Budget (OMB) delegated to the Board authority under the Paperwork Reduction Act (PRA) to approve of 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 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.

At the end of the comment period, the comments and recommendations received will be analyzed to determine the extent to which the Federal Reserve should modify the proposal prior to giving final approval.

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

Report title: Interagency Guidance on Managing Compliance and Reputation Risks for Reverse Mortgage Products.

Agency form number: FR 4029.

OMB control number: 7100–0330.

Frequency: Annual.

Respondents: State member banks that originate proprietary reverse mortgages.

Estimated number of respondents: Implementation of policies and procedures, 1 respondent; and Review and maintenance of policies and procedures, 15 respondents.

Estimated average hours per response: Implementation of policies and procedures, 40 hours; and Review and maintenance of policies and procedures, 8 hours.

Estimated annual burden hours: Implementation of policies and procedures, 40 hours; and Review and maintenance of policies and procedures, 120 hours.

General description of report: Reverse mortgages are home-secured loans typically offered to elderly consumers. Financial institutions currently provide two types of reverse mortgage products: the lenders' own proprietary reverse mortgage products and reverse mortgages insured by the U.S. Department of Housing and Urban Development's Federal Housing Administration (FHA). Reverse mortgage loans insured by the FHA are made pursuant to the guidelines and rules established by HUD's Home Equity Conversion Mortgage (HECM) program.[1] HECM loans and proprietary reverse mortgages are also subject to consumer financial protection laws and regulations, *e.g.,* the regulations that implement laws such as the Real Estate Settlement Procedures Act (RESPA) and the Truth in Lending Act (TILA).

In August 2010, the Federal Financial Institutions Examination Council (FFIEC), on behalf of its member agencies,[2] published a **Federal Register** notice adopting supervisory guidance titled ''Reverse Mortgage Products: Guidance for Managing Compliance and Reputation Risks.'' [3] The guidance is designed to help financial institutions with risk management and assist financial institutions' efforts to ensure that their reverse mortgage lending practices adequately address consumer compliance and reputation risks.

The reverse mortgage guidance discusses the reporting, recordkeeping, and disclosures required by federal laws

[1] See 12 U.S.C. 1715z–20; 24 CFR part 206.

[2] The Federal Reserve, the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Office of the Comptroller of the Currency, and the Office of Thrift Supervision.

[3] 75 FR 50801.

and regulations and also discusses consumer disclosures that financial institutions typically provide as a standard business practice. Certain portions of the guidance are ''information collections'' subject to the PRA's requirements.

Legal authorization and confidentiality: The information collection is authorized pursuant to section 11 of the Federal Reserve Act, 12 U.S.C. 248 (state member banks); sections 25 and 25A of the Federal Reserve Act, 12 U.S.C. 625 (Edge and Agreement corporations); section 5 of the Bank Holding Company Act of 1956, 12 U.S.C. 1844 (bank holding companies and, in conjunction with section 8 of the International Banking Act, 12 U.S.C. 3106, foreign banking organizations); section 7(c) of the International Banking Act of 1978, 12 U.S.C. 3105(c) (branches and agencies of foreign banks); and section 10 of the Home Owners' Loan Act, 12 U.S.C. 1467a, (savings and loan holding companies). This guidance is voluntary.

Because the documentation required by the guidance is maintained by each institution, the Freedom of Information Act (FOIA) would only be implicated if the Federal Reserve's examiners retained a copy of this information as part of an examination or as part of its supervision of a financial institution. However, records obtained as a part of an examination or supervision of a financial institution are exempt from disclosure under FOIA exemption (b)(8) (5 U.S.C. 552(b)(8)). In addition, the information may also be kept confidential under exemption 4 of the FOIA which protects commercial or financial information obtained from a person that is privileged or confidential (5 U.S.C. 552(b)(4)).

Board of Governors of the Federal Reserve System, June 28, 2018.

Michele Taylor Fennell,

Assistant Secretary of the Board.

[FR Doc. 2018–14303 Filed 7–2–18; 8:45 am]

BILLING CODE 6210–01–P

FEDERAL RESERVE SYSTEM

[Docket No. OP–1612]

Announcement of Financial Sector Liabilities

Section 622 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, implemented by the Board's Regulation XX, prohibits a merger or acquisition that would result in a financial company that controls more than 10 percent of the aggregate consolidated liabilities of all financial companies (''aggregate financial sector liabilities''). Specifically, an insured depository institution, a bank holding company, a savings and loan holding company, a foreign banking organization, any other company that controls an insured depository institution, and a nonbank financial company designated by the Financial Stability Oversight Council (each, a ''financial company'') is prohibited from merging or consolidating with, acquiring all or substantially all of the assets of, or acquiring control of, another company if the resulting company's consolidated liabilities would exceed 10 percent of the aggregate financial sector liabilities.[1]

Pursuant to Regulation XX, the Federal Reserve will publish the aggregate financial sector liabilities by July 1 of each year. Aggregate financial sector liabilities equals the average of the year-end financial sector liabilities figure (as of December 31) of each of the preceding two calendar years.

FOR FURTHER INFORMATION CONTACT: Sean Healey, Supervisory Financial Analyst, (202) 912–4611; Matthew Suntag, Counsel, (202) 452–3694; for the hearing impaired, TTY (202) 263–4869.

Aggregate Financial Sector Liabilities

Aggregate financial sector liabilities is equal to $20,283,121,945,000.[2] This measure is in effect from July 1, 2018 through June 30, 2019.

Calculation Methodology

Aggregate financial sector liabilities equals the average of the year-end financial sector liabilities figure (as of December 31) of each of the preceding two calendar years. The year-end financial sector liabilities figure equals the sum of the total consolidated liabilities of all top-tier U.S. financial companies and the U.S. liabilities of all top-tier foreign financial companies, calculated using the applicable methodology for each financial company, as set forth in Regulation XX and summarized below.

Consolidated liabilities of a U.S. financial company that was subject to consolidated risk-based capital rules as of December 31 of the year being measured, equal the difference between its risk-weighted assets (as adjusted upward to reflect amounts that are deducted from regulatory capital elements pursuant to the Federal banking agencies' risk-based capital rules) and total regulatory capital, as calculated under the applicable risk-based capital rules. Companies in this category include (with certain exceptions listed below) bank holding companies, savings and loan holding companies, and insured depository institutions. The Federal Reserve used information collected on the Consolidated Financial Statements for Holding Companies (FR Y–9C) and the Bank Consolidated Reports of Condition and Income (Call Report) to calculate liabilities of these institutions.

Consolidated liabilities of a U.S. financial company not subject to consolidated risk-based capital rules as of December 31 of the year being measured, equal liabilities calculated in accordance with applicable accounting standards. Companies in this category include nonbank financial companies supervised by the Board, bank holding companies and savings and loan holding companies subject to the Federal Reserve's Small Bank Holding Company Policy Statement, savings and loan holding companies substantially engaged in insurance underwriting or commercial activities, and U.S. companies that control insured depository institutions but are not bank holding companies or savings and loan holding companies. ''Applicable accounting standards'' is defined as GAAP, or such other accounting standard or method of estimation that the Board determines is appropriate.[3] The Federal Reserve used information collected on the FR Y–9C, the Parent Company Only Financial Statements for Small Holding Companies (FR Y–9SP), and the Financial Company Report of Consolidated Liabilities (FR XX–1) to calculate liabilities of these institutions.

Section 622 provides that the U.S. liabilities of a ''foreign financial company'' equal the risk-weighted

[1] 12 U.S.C. 1852(a)(2), (b).

[2] This number reflects the average of the financial sector liabilities figure for the year ending December 31, 2016 ($20,079,196,276,000) and the year ending December 31, 2017 ($20,487,047,614,000).

[3] A financial company may request to use an accounting standard or method of estimation other than GAAP if it does not calculate its total consolidated assets or liabilities under GAAP for any regulatory purpose (including compliance with applicable securities laws). 12 CFR 251.3(e). In previous years, the Board received and approved requests from eleven financial companies to use an accounting standard or method of estimation other than GAAP to calculate liabilities. Ten of the companies are insurance companies that report financial information under Statutory Accounting Principles (''SAP''), and one is a foreign company that controls a U.S. industrial loan company that reports financial information under International Financial Reporting Standards (''IFRS''). For the insurance companies, the Board approved a method of estimation that was based on line items from SAP-based reports, with adjustments to reflect certain differences in accounting treatment between GAAP and SAP. For the foreign company, the Board approved the use of IFRS. These companies continue to use the previously approved methods. The Board did not receive any new requests this year.