encourage collaboration by providing examples and case studies that show how agencies have collaborated with other agencies and interested parties in the past and how agencies can better collaborate throughout a NEPA process.

The handbook describes the context for when collaboration works well, provides a basic approach to designing a collaborative NEPA process, examines the various opportunities for collaboration throughout the NEPA process, and addresses challenges to collaboration during the NEPA process. In addition to examples of strategies for preventing conflict, the handbook provides examples of Memoranda of Understanding, case studies, and resources for practitioners.

Public comments to the proposed handbook are requested by May 4, 2007.

March 19, 2007.

James L. Connaughton,

Chairman, Council on Environmental Quality.

[FR Doc. E7–5454 Filed 3–23–07; 8:45 am]

BILLING CODE 3125–W7–P

FEDERAL MARITIME COMMISSION

Agency Information Collection Activities: Proposed Collection; Comment Request

AGENCY: Federal Maritime Commission (FMC).

ACTION: Notice and request for comments.

SUMMARY: As part of our continuing effort to reduce paperwork and respondent burden, and as required by the Paperwork Reduction Act of 1995, the Federal Maritime Commission invites comments on the continuing information collection (extension with no changes) listed below in this notice.

DATES: Comments must be submitted on or before May 25, 2007.

ADDRESSES: You may send comments to: Derek O. Scarbrough, Chief Information Officer, Office of Administration, Federal Maritime Commission, 800 North Capitol Street, NW, Washington, DC 20573, (Telephone: (202) 523–5800), *cio@fmc.gov.* Please reference the information collection's title and OMB number in your comments.

FOR FURTHER INFORMATION CONTACT: To obtain additional information, copies of the information collection and instructions, or copies of any comments received, contact Jane Gregory, Management Analyst, Office of Administration, Federal Maritime Commission, 800 North Capitol Street, NW., Washington, DC 20573, (Telephone: (202) 523–5800), *jgregory@fmc.gov.*

SUPPLEMENTARY INFORMATION:

Request for Comments

The Federal Maritime Commission, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to comment on the continuing information collection listed in this notice, as required by the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*).

Comments submitted in response to this notice will be included or summarized in our request for Office of Management and Budget approval of the relevant information collection. All comments are part of the public record and subject to disclosure. Please do not include any confidential or inappropriate material in your comments. We invite comments on: (1) The necessity and utility of the proposed information collection for the proper performance of the agency's functions; (2) the accuracy of the estimated burden; (3) ways to enhance the quality, utility, and clarity of the information to be collected; and (4) the use of automated collection techniques or other forms of information technology to minimize the information collection burden. An automated form for the license application, FMC–18, is currently in development. A rule will be published as soon as the automated form is available, for use at the option of the applicant.

Information Collection Open for Comment

Title: 46 CFR 515—Licensing, Financial Responsibility Requirements and General Duties for Ocean Transportation Intermediaries and Related Forms.

OMB Approval Number: 3072–0018 (Expires July 31, 2007).

Abstract: Section 19 of the Shipping Act of 1984 (the ''Act''), 46 U.S.C. 40101–41309 (2006), as modified by Pub. L. 105–258 (The Ocean Shipping Reform Act of 1998) and Section 424 of Pub. L. 105–383 (The Coast Guard Authorization Act of 1998), provides that no person in the United States may act as an ocean transportation intermediary (OTI) unless that person holds a license issued by the Commission. The Commission shall issue an OTI license to any person that the Commission determines to be qualified by experience and character to act as an OTI. Further, no person may act as an OTI unless that person furnishes a bond, proof of insurance or other surety in a form and amount determined by the Commission to ensure financial responsibility. The Commission has implemented the provisions of section 19 in regulations contained in 46 CFR 515, including financial responsibility forms FMC–48, FMC–67, FMC–68, and FMC–69, Optional Rider Forms FMC–48A and FMC–69A, and its related license application form, FMC–18.

Current Actions: There are no changes to this information collection, and it is being submitted for extension purposes only.

Type of Review: Extension.

Needs and Uses: The Commission uses information obtained under this part and through Form FMC–18 to determine the qualifications of OTIs and their compliance with shipping statutes and regulations and to enable the Commission to discharge its duties under the Act by ensuring that OTIs maintain acceptable evidence of financial responsibility. If the collection of information were not conducted, there would be no basis upon which the Commission could determine if applicants are qualified for licensing.

Frequency: This information is collected when applicants apply for a license or when existing licensees change certain information in their application forms.

Type of Respondents: The types of respondents are persons desiring to obtain a license to act as an OTI. Under the Act, OTIs may be either an ocean freight forwarder, a non-vessel-operating common carrier, or both.

Number of Annual Respondents: The Commission estimates a potential annual respondent universe of 4,765 entities.

Estimated Time Per Response: The time per response for completing Application Form FMC–18 averages 2 hours. The time to complete a financial responsibility form averages 20 minutes.

Total Annual Burden: The Commission estimates the total annual person-hour burden at 3,595 person-hours.

Bryant L. VanBrakle,

Secretary.

[FR Doc. E7–5483 Filed 3–23–07; 8:45 am]

BILLING CODE 6730–01–P

FEDERAL RESERVE SYSTEM

Agency Information Collection Activities: Announcement of Board Approval Under Delegated Authority and Submission to OMB

AGENCY: Board of Governors of the Federal Reserve System

SUMMARY: Background.

Notice is hereby given of the final approval of proposed information collection by the Board of Governors of the Federal Reserve System (Board) under OMB delegated authority, as per 5 CFR 1320.16 (OMB Regulations on Controlling Paperwork Burdens on the Public). Board–approved collections of information are incorporated into the official OMB inventory of currently approved collections of information. Copies of the Paperwork Reduction Act Submission, supporting statements and approved collection of information instrument(s) 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 control number.

FOR FURTHER INFORMATION CONTACT: Federal Reserve Board Clearance Officer —Michelle Shore—Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, DC 20551 (202–452–3829).

OMB Desk Officer—Mark Menchik—Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, Washington, DC 20503, or e–mail to *mmenchik@omb.eop.gov*.

Final approval under OMB delegated authority the revision, without extension, of the following reports:

1. Report title: Consolidated Financial Statements for Bank Holding Companies.

Agency form number: FR Y–9C.

OMB control number: 7100–0128.

Frequency: Quarterly.

Reporters: Bank holding companies (BHCs).

Annual reporting hours: 117,504 hours.

Estimated average hours per response: 38.35 hours.

Number of respondents: 766.

General description of report: This information collection is mandatory (12 U.S.C. 1844(c)). Confidential treatment is not routinely given to the data in this report. However, confidential treatment for the reporting information, in whole or in part, can be requested in accordance with the instructions to the form, pursuant to section (b)(4) of the Freedom of Information Act (5 U.S.C. 522(b)(4).

Abstract: The FR Y–9 family of reports historically has been, and continues to be, the primary source of financial information on BHCs between on–site inspections. Financial information from these reports is used to detect emerging financial problems, to review performance and conduct pre–inspection analysis, to monitor and evaluate capital adequacy, to evaluate BHC mergers and acquisitions, and to analyze a BHC's overall financial condition to ensure safe and sound operations.

The FR Y–9C consists of standardized financial statements similar to the Federal Financial Institutions Examination Council's Consolidated Reports of Condition and Income (Call Report) (FFIEC 031 & 041; OMB No. 7100–0036) filed by commercial banks. The FR Y–9C collects consolidated data from the BHC and is generally filed by top–tier BHCs with total consolidated assets of $500 million or more.

Current actions: On January 11, 2007, the Federal Reserve published a notice in the Federal Register (72 FR 1325) requesting public comment for 60 days on the revision, without extension, of the Consolidated Financial Statements for Bank Holding Companies, effective with the March 31, 2007, report date. The comment period expired on March 12, 2007. The Federal Reserve did not receive any comment letters. However, five comments were received by the Federal Reserve, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency (the banking agencies) on proposed revisions to the Call Reports that parallel the proposed revisions to the FR Y–9C, and were taken into consideration for this proposal. The comments are summarized and addressed below.

Reporting on Fair Value Measurements and the Use of the Fair Value Option

On September 15, 2006, the Financial Accounting Standards Board (FASB) issued Statement No. 157, Fair Value Measurements (FAS 157), which is effective for banking institutions and other entities for fiscal years beginning after November 15, 2007. Earlier adoption of FAS 157 is permitted as of the beginning of an earlier fiscal year, provided the BHC has not yet issued a financial statement or filed a FR Y–9C report for any period of that fiscal year. Thus, a BHC with a calendar year fiscal year may voluntarily adopt FAS 157 as of January 1, 2007. The fair value measurements standard provides guidance on how to measure fair value and would require BHCs and other entities to disclose the inputs used to measure fair value based on a three–level hierarchy for all assets and liabilities that are remeasured at fair value on a recurring basis.[1]

The FASB issued a final Statement No. 159, The Fair Value Option for Financial Assets and Financial Liabilities (FAS 159), on February 15, 2007. This standard allows BHCs and other entities to report certain financial assets and liabilities at fair value with the changes in fair value included in earnings. The Federal Reserve anticipates that relatively few BHCs will elect to use the fair value option for a significant portion of their financial assets and liabilities.

According to the FASB's web site (www.fasb.org), the FASB Board has decided to require that the effective date of the final fair value option standard be the same as the effective date of FAS 157. Thus, the final fair value option standard should be effective for financial statements issued for fiscal years beginning after November 15, 2007. The FASB Board has also decided to permit an entity to early adopt the final fair value option standard provided that the entity also adopts all of the requirements (measurement and disclosure) of FAS 157 concurrent with or prior to the early adoption of the final fair value option standard. Furthermore, the FASB Board would permit early adoption of the final fair value option standard within 120 days of the beginning of the entity's fiscal year, thereby making the fair value option election retroactive to the beginning of that fiscal year (or the date of initial recognition, if later) provided that the entity has not yet issued any interim financial statements for that fiscal year. Thus, a BHC with a calendar year fiscal year that voluntarily adopts FAS 157 as of January 1, 2007, would also be able to adopt the final fair value option standard as of that same date.

The Federal Reserve proposed to clarify the FR Y–9C reporting instructions to explain where financial assets and liabilities measured under the fair value option should be reported in the existing line items of the FR Y–9C. The Federal Reserve also proposed to add a new Schedule HC–Q to the FR Y–9C to collect data, by major asset and liability category, on the amount of

[1] The FASB's three–level fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the reporting bank holding company has the ability to access at the measurement date (e.g., the FR Y–9C as–of date). Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

assets and liabilities to which the fair value option has been applied along with separate disclosure of the amount of such assets and liabilities whose fair values were estimated under level two and under level three of the FASB's fair value hierarchy. The categories are:

• Securities held for purposes other than trading with changes in fair value reported in current earnings;
• Loans and leases;
• All other financial assets and servicing assets;
• Deposit liabilities;
• All other financial liabilities and servicing liabilities; and
• Loan commitments (not accounted for as derivatives).

In addition, the Federal Reserve proposed to collect data on trading assets and trading liabilities in the new schedule from those BHCs that complete Schedule HC–D, Trading Assets and Liabilities, i.e., BHCs that reported average trading assets of $2 million or more for any quarter of the preceding calendar year. In the proposed new schedule, such BHCs would report the carrying amount of trading assets and trading liabilities whose fair values were estimated under level two and under level three of the FASB's fair value hierarchy.

The FASB's fair value measurements standard requires banking organizations and other entities to consider the effect of a change in their own creditworthiness when determining the fair value of a financial liability. The Federal Reserve proposed to add one new data item to Schedule HC–R, Regulatory Capital, for the cumulative change in the fair value of all financial liabilities accounted for under the fair value option that is attributable to changes in the BHC's own creditworthiness. This amount would be excluded from the BHC's retained earnings for purposes of determining Tier 1 capital under the Federal Reserve's regulatory capital standards.

Finally, the Federal Reserve proposed to clarify the instructions to Schedule HI for the treatment of interest income on financial assets and interest expense on financial liabilities measured under a fair value option. The instructions would be modified to instruct BHCs to separate the contractual year–to–date amount of interest earned on financial assets and interest incurred on financial liabilities that are reported under a fair value option from the overall year–to–date fair value adjustment and report these contractual amounts in the appropriate interest income or interest expense data items on Schedule HI.

Only one commenter, a banking trade association, offered comments on fair value option reporting in the Call Report, urging ''the agencies to proceed cautiously with any major revisions to the Call Report or TFR prior to the official release of the Fair Value Option statement.'' The trade association also requested that the agencies delay the March 31, 2007, effective date of the proposed reporting revisions related to the fair value option if the release of the FASB's final fair value option standard is delayed beyond its expected issuance in the first quarter of 2007. The trade association did not address the proposed reporting revisions for the fair value option and fair value measurements themselves.

The Federal Reserve agrees on the need for caution in implementing the proposed reporting revisions related to the fair value option and fair value measurements. Accordingly, only if BHCs adopt this standard in the first quarter of 2007 for other financial reporting purposes would the fair value option reporting requirements in the FR Y–9C take effect as of March 31, 2007. Otherwise, these reporting requirements would be delayed until BHCs elect the fair value option for other financial reporting purposes. Additionally, the Federal Reserve will proceed with the new Schedule HC–R data item for fair value changes included in retained earnings that are attributable to changes in a BHC's own creditworthiness.

Reporting of Certain Data on 1–4 Family Residential Mortgage Loans withTerms that Allow for Negative Amortization

The Federal Reserve proposed to collect certain data items to monitor the extent of holdings of closed–end 1–4 family residential mortgage loan products whose terms allow for negative amortization. As proposed, all BHCs would report the total amount of their holdings of such closed–end mortgage loans in a new memorandum item in Schedule HC–C, Loans and Leases. The Federal Reserve also proposed to collect two additional memorandum items on Schedule HC–C and another new memorandum item on Schedule HI, Income Statement, from BHCs with a significant volume of negatively amortizing 1–4 family residential mortgage loans. The two additional Schedule HC–C memorandum items would be (1) the total maximum remaining amount of negative amortization contractually permitted on closed–end loans secured by 1–4 family residential properties and (2) the total amount of negative amortization on closed–end loans secured by 1–4 family residential properties that is included in the carrying amount of these loans. The Schedule HI memorandum item would be the year–to–date noncash income on closed–end loans with a negative amortization feature secured by 1–4 family residential properties.

The Federal Reserve's proposal stated that the threshold for identifying BHCs with a significant volume of negatively amortizing residential mortgage loans would be based on the aggregate amount of these loans being in excess of either a certain dollar amount, e.g., $100 million or $250 million, or a certain percentage of the total loans and leases (in domestic offices) reported on Schedule HC–C, e.g., 5 percent or 10 percent. For reporting during 2007, a BHC with negatively amortizing loans would determine whether it met the size threshold for reporting the three additional memorandum items using data reflected in its December 31, 2006, FR Y–9C report. For reporting in 2008 and subsequent years, the determination would be based on data from the previous year–end FR Y–9C. Thus, BHCs with negatively amortizing 1–4 family residential mortgage loans in excess of the reporting threshold as of the end of any particular calendar year would report these three data items for the next entire calendar year.

The Federal Reserve requested comment on the specific dollar amount and percentage of loans that should be used in setting the size threshold for additional reporting on negatively amortizing loans. The comments received from a banking organization and a banking trade association addressed the comparable threshold proposed for the Call Report. In this regard, the banking organization recommended that the agencies base their reporting threshold only on a percentage of an institution's total loans and leases and not also include a fixed dollar amount of negatively amortizing loans in the threshold test. The organization stated that using a percentage test ''is more in line with the Agencies' goals of ensuring the safety and soundness of institutions while minimizing the burden of information collection'' because ''safety and soundness concerns become more prominent only as an institution's concentration in these loans increases relative to the rest of its portfolio.''

In its comments, the banking trade association referred to the agencies' Interagency Guidance on Nontraditional Mortgage Product Risks, which they published at the beginning of October 2006,[2] noting that this guidance ''specifically states that the agencies did not intend to establish concentration caps for institutions that underwrite''

[2] See 71 FR 58609, October 4, 2006.

nontraditional mortgages, including the residential mortgages with negative amortization features on which data would be reported in the Call Report. The trade association expressed concern that the establishment of a reporting threshold for reporting certain data on these loans would be ''a de facto concentration limit above which heightened regulatory scrutiny could be implied for such loans.'' This ''would be inconsistent with the Interagency Guidance.'' As a consequence, the trade association suggested eliminating the entire proposed reporting requirement for negatively amortizing residential mortgage loans. Alternatively, if the proposed reporting requirement were to be retained, the trade association recommended eliminating the reporting threshold for the three additional data items and requiring all banks to report these data items.

The Federal Reserve has considered these comments that focus on the reporting threshold. The intent of the proposal to establish a reporting threshold for certain additional data on negatively amortizing residential mortgage loans was not to establish concentration limits for these mortgage products. Rather, as noted in the proposal, the Federal Reserve currently ''has no readily available means of identifying the industry's exposure'' to these products, which led to the proposal to collect certain data to assist the Federal Reserve in ''monitor[ing] the extent of use of negatively amortizing residential mortgage loans in the industry.'' Thus, the reporting of data on these mortgages is intended to support agency analysis at both the institution level and the industry level. The threshold for reporting additional data on negatively amortizing residential mortgage loans that are present at an institution in a significant volume was designed to limit the reporting burden on institutions, particularly small BHCs, with a nominal volume of these loans. A threshold based solely on a percentage of total loans and leases would not enable the Federal Reserve to gain an industry perspective on the amount of remaining contractually permitted negative amortization, capitalized negative amortization, and noncash income from negative amortization and how they relate to the amount of negatively amortizing residential mortgages. Therefore, the Federal Reserve is proceeding with a reporting threshold for the three additional data items that incorporates both a dollar amount test and a percentage test. More specifically, BHCs will report the three additional data items pertaining to their negatively amortizing residential mortgages if the amount of these mortgages exceeds the lesser of $100 million or 5 percent of their total loans and leases (in domestic offices), both held for sale and held for investment.

A data processing servicer commented on the proposed March 31, 2007, effective date for reporting this information. The servicer observed that the end of the proposal's comment period is less than 90 days before this effective date, while it typically needs a minimum of 180 days to implement programming changes after requirements are finalized. As a consequence, the servicer stated that it would not be able to commit to completing the programming, testing, and implementation of changes to its mortgage software by March 31, 2007, to enable its client banks to report the proposed information on negatively amortizing residential mortgages.

The Interagency Guidance on Nontraditional Mortgage Product Risks indicates that management information and reporting systems ''should allow management to detect changes in the risk profile of its nontraditional mortgage loan portfolio. The structure and content should allow the isolation of key loan products, risk–layering loan features, and borrower characteristics.'' The guidance further provides that ''[a]t a minimum, information should be available by loan type,'' such as for the closed–end residential mortgage loans with negative amortization features that are the subject of this proposal, and ''by borrower performance (e.g., payment patterns, delinquencies, interest accruals, and negative amortization).'' These risk management expectations for information systems were set forth approximately 180 days before the March 31, 2007, effective date of the proposed FR Y–9C items for negatively amortizing residential mortgages. In addition, for the March 31, 2007, report date, BHCs may provide reasonable estimates for these new FR Y–9C items if the requested information is not readily available.

Reporting of Certain Brokered Time Deposit Information

The banking agencies proposed to revise the reporting treatment of brokered time deposits on Call Report Schedule RC–E, Deposit Liabilities. Memorandum item 2.b, Total time deposits of less than $100,000, would be revised to include brokered time deposits issued in denominations of $100,000 or more that are participated out by the broker in shares of less than $100,000, as well as brokered certificates of deposit issued in $1,000 amounts under a master certificate of deposit. Memorandum item 2.c, Total time deposits of $100,000 or more, would be revised to exclude such brokered deposits.

The Federal Reserve proposed to make similar instructional changes to seven data items on Schedule HC–E, Deposit Liabilities, to retain consistent definitions with the Call Report and to accommodate the consolidation of subsidiary bank information into the FR Y–9C report. The Federal Reserve proposed to revise the instructions for data item 1.d, Time deposits of less than $100,000 held in domestic offices of commercial bank subsidiaries; data item 2.d, Time deposits of less than $100,000 held in domestic offices of other depository institution subsidiaries; Memorandum item 1, Brokered deposits less than $100,000 with a remaining maturity of one year or less; and Memorandum item 2, Brokered deposits less than $100,000 with a remaining maturity of more than one year, to include brokered time deposits issued in denominations of $100,000 or more that are participated out by the broker in shares of less than $100,000 and brokered certificates of deposit issued in $1,000 amounts under a master certificate of deposit. Data item 1.e, Time deposits of $100,000 or more held in domestic offices of commercial bank subsidiaries; data item 2.e, Time deposits of $100,000 or more held in domestic offices of other depository institution subsidiaries; and Memorandum item 3, Time deposits of $100,000 or more with a remaining maturity of one year or less, would be revised to exclude such brokered time deposits.

The banking agencies received no comments on the proposed time deposit reporting changes, and the Federal Reserve is implementing the time deposit instructional changes as proposed.

Instructional Clarifications

Servicing of Loan Participations

Bank holding companies report the outstanding principal balance of loans and other assets serviced for others in Memorandum items 2.a, 2.b, and 2.c of Schedule HC–S, Servicing, Securitization, and Asset Sale Activities. The instructions for these Memorandum items do not explicitly state whether a BHC that has sold a participation in a loan or other financial asset, which it continues to service, should include the servicing in Memorandum item 2.a, 2.b, or 2.c, as appropriate. Because the absence of clear instructional guidance has resulted in questions from bankers and has produced diversity in practice among BHCs, the Federal Reserve proposed to clarify the instructions to these Schedule HC–S memorandum items to explicitly state that the amount of loan participations serviced for others should be included in these data items. The banking agencies received no comments specifically addressing this instructional clarification, and the Federal Reserve is implementing the clarification as proposed.

2. Report title: Financial Statements of U.S. Nonbank Subsidiaries of U.S. Bank Holding Companies.

Agency form number: FR Y–11.

OMB control number: 7100–0244.

Frequency: Quarterly and annually.

Reporters: Bank holding companies (BHCs).

Annual reporting hours: FR Y–11. (quarterly), 32,690 hours; FR Y–11. (annually), 1,911 hours.

Estimated average hours per response: FR Y–11 (quarterly), 6.35 hours; FR Y–11 (annually), 6.35 hours.

Number of respondents: FR Y–11 (quarterly), 1,287; FR Y–11 (annually), 301.

General description of report: This information collection is mandatory (12 U.S.C. 1844(c)). Confidential treatment is not routinely given to the data in these reports. However, confidential treatment for the reporting information, in whole or in part, can be requested in accordance with the instructions to the form, pursuant to section (b)(4) of the Freedom of Information Act [5 U.S.C. 522(b)(4)].

Abstract: The FR Y–11 reports collect financial information for individual U.S. nonbank subsidiaries of domestic BHCs. BHCs file the FR Y–11 on a quarterly or annual basis according to filing criteria. The FR Y–11 data are used with other BHC data to assess the condition of BHCs that are heavily engaged in nonbanking activities and to monitor the volume, nature, and condition of their nonbanking operations.

Current actions: On January 11, 2007, the Federal Reserve published a notice in the **Federal Register** (72 FR 1325) requesting public comment for 60 days on the revision, without extension, of the Financial Statements of U.S. Nonbank Subsidiaries of U.S. Bank Holding Companies. The comment period expired on March 12, 2007. The Federal Reserve did not receive any comment letters. All reporting changes will be implemented effective with the March 31, 2007, report date.

Recently, the volume of 1–4 family residential mortgage loan products whose terms allow for negative amortization and the number of institutions providing borrowers with such loans has increased significantly. Loans with this feature are structured in a manner that may result in an increase in the loan's principal balance even when the borrower's payments are technically current. When loans with negative amortization are not prudently underwritten and not properly monitored, they raise safety and soundness concerns. Currently, the Federal Reserve has no readily available means of identifying the industry's exposure to such loans. Therefore, the Federal Reserve proposed to collect four data items at the nonbank subsidiary level to monitor the extension of negatively amortizing residential mortgage loans in the industry and to parallel the data items being proposed for inclusion on the FR Y–9C.

The Federal Reserve proposed to collect one memorandum item from all nonbank subsidiaries on Schedule BS–A, Loan and Leases Financing Receivables, for the total amount of closed–end loans with negative amortization features secured by 1–4 family residential properties in order to obtain an overall measure of this potentially higher risk lending activity. In addition, the Federal Reserve proposed to collect two memorandum items on Schedule BS–A and one memorandum item on Schedule IS, Income Statement, from nonbank subsidiaries with a significant volume of negatively amortizing 1–4 family residential mortgage loans. The threshold for significant volume would be based on the aggregate carrying amount of negatively amortizing loans in excess of 5 percent of the total loans and leases reported on Schedule BS–A. A nonbank with negatively amortizing loans would determine whether it met the size threshold for reporting the three additional memorandum items based on data reported from the previous year–end FR Y–11.

The Federal Reserve also proposed two additional Schedule BS–A memorandum items to collect (1) the total maximum remaining amount of negative amortization contractually permitted on closed–end loans secured by 1–4 family residential properties and (2) the total amount of negative amortization on closed–end loans secured by 1–4 family residential properties that is included in the carrying amount of these loans. The first memorandum item would provide a measure of the maximum exposure that could be incurred for negative amortization loans in the current 1–4 family residential property loan portfolio. The second memorandum item would then identify what component of 1–4 family mortgage loans is comprised of negative amortization loans. The Schedule IS memorandum item is year–to–date non–cash income on closed–end loans with a negative amortization feature secured by 1–4 family residential properties. This memorandum item would identify the amount and extent of interest revenue accrued and uncollected to ascertain the degree this potentially higher risk lending activity supports the BHC's overall net income. All nonbank subsidiaries with negatively amortizing 1–4 family residential loans in excess of the reporting threshold would report these data items for the entire calendar year following the end of any calendar year when the threshold was exceeded.

3. Report title: Financial Statements of Foreign Subsidiaries of U.S. Banking Organizations.

Agency form number: FR 2314.

OMB control number: 7100–0073.

Frequency: Quarterly and annually.

Reporters: Foreign subsidiaries of U.S. state member banks (SMBs), bank holding companies (BHCs), and Edge or agreement corporations.

Annual reporting hours: FR 2314 (quarterly), 5,402 hours; FR 2314 (annually), 966 hours.

Estimated average hours per response: FR 2314 (quarterly), 6.40 hours; FR 2314 (annually), 6.40 hours.

Number of respondents: FR 2314 (quarterly), 211; FR 2314 (annually), 151.

General description of report: This information collection is mandatory (12 U.S.C. 324, 602, 625, and 1844(c). Confidential treatment is not routinely given to the data in these reports. However, confidential treatment for the reporting information, in whole or in part, can be requested in accordance with the instructions to the form, pursuant to section (b)(4) of the Freedom of Information Act [5 U.S.C. 522(b)(4)].

Abstract: The FR 2314 reports collect financial information for direct or indirect foreign subsidiaries of U.S. SMBs, Edge and agreement corporations, and BHCs. Parent organizations (SMBs, Edge and agreement corporations, or BHCs) file the FR 2314 on a quarterly or annual basis according to filing criteria. The FR 2314 data are used to identify current and potential problems at the foreign subsidiaries of U.S. parent companies, to monitor the activities of U.S. banking organizations in specific countries, and to develop a better understanding of activities within the industry, in general, and of individual institutions, in particular.

Current actions: On January 11, 2007, the Federal Reserve published a notice in the Federal Register (72 FR 1325) requesting public comment for 60 days on the revision, without extension, of the Financial Statements of Foreign Subsidiaries of U.S. Banking Organizations. The comment period expired on March 12, 2007. The Federal Reserve did not receive any comment letters. All reporting changes will be implemented effective with the March 31, 2007, report date.

Recently, the volume of 1–4 family residential mortgage loan products whose terms allow for negative amortization and the number of institutions providing borrowers with such loans has increased significantly. Loans with this feature are structured in a manner that may result in an increase in the loan's principal balance even when the borrower's payments are technically current. When loans with negative amortization are not prudently underwritten and not properly monitored, they raise safety and soundness concerns. Currently the Federal Reserve has no readily available means of identifying the industry's exposure to such loans. Therefore, the Federal Reserve proposed to collect four data items at the nonbank subsidiary level to monitor the extension of negatively amortizing residential mortgage loans in the industry and to parallel the data items being proposed for inclusion on the FR Y–9C.

The Federal Reserve proposed to collect one memorandum item from all nonbank subsidiaries on Schedule BS–A, Loan and Leases Financing Receivables, for the total amount of closed–end loans with negative amortization features secured by 1–4 family residential properties in order to obtain an overall measure of this potentially higher risk lending activity. In addition, the Federal Reserve proposed to collect two memorandum items on Schedule BS–A and one memorandum item on Schedule IS, Income Statement, from nonbank subsidiaries with a significant volume of negatively amortizing 1–4 family residential mortgage loans. The threshold for significant volume would be based on the aggregate carrying amount of negatively amortizing loans in excess of 5 percent of the total loans and leases reported on Schedule BS–A. A nonbank with negatively amortizing loans would determine whether it met the size threshold for reporting the three additional memorandum items based on data reported from the previous year–end FR 2314.

The Federal Reserve also proposed two additional Schedule BS–A memorandum items to collect (1) the total maximum remaining amount of negative amortization contractually permitted on closed–end loans secured by 1–4 family residential properties and (2) the total amount of negative amortization on closed–end loans secured by 1–4 family residential properties that is included in the carrying amount of these loans. The first memorandum item would provide a measure of the maximum exposure that could be incurred for negative amortization loans in the current 1–4 family residential property loan portfolio. The second memorandum item would then identify what component of 1–4 family mortgage loans is comprised of negative amortization loans. The Schedule IS memorandum item is year–to–date non–cash income on closed–end loans with a negative amortization feature secured by 1–4 family residential properties. This memorandum item would identify the amount and extent of interest revenue accrued and uncollected to ascertain the degree this potentially higher risk lending activity supports the BHC's overall net income. All nonbank subsidiaries with negatively amortizing 1–4 family residential loans in excess of the reporting threshold would report these data items for the entire calendar year following the end of any calendar year when the threshold was exceeded.

The Federal Reserve proposed to add the section Notes to the Financial Statements to allow respondents the opportunity to provide, at their option, any material information included in specific data items on the financial statements that the parent U.S. banking organization wishes to explain. The addition of this section would enable the Federal Reserve to automate information that respondents may want to report as footnotes to various reported data items and provide for release of this information to the public. This section is currently included on the FR Y–11.

Board of Governors of the Federal Reserve System, March 21, 2007.

Jennifer J. Johnson,

Secretary of the Board.

[FR Doc. E7–5503 Filed 3–23–07; 8:45 am]

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FEDERAL RESERVE SYSTEM

Change in Bank Control Notices; Acquisition of Shares of Bank or Bank Holding Companies

The notificants listed below have applied under the Change in Bank Control Act (12 U.S.C. 1817(j)) and § 225.41 of the Board's Regulation Y (12 CFR 225.41) to acquire a bank or bank holding company. The factors that are considered in acting on the notices are set forth in paragraph 7 of the Act (12 U.S.C. 1817(j)(7)).

The notices are available for immediate inspection at the Federal Reserve Bank indicated. The notices also will be available for inspection at the office of the Board of Governors. Interested persons may express their views in writing to the Reserve Bank indicated for that notice or to the offices of the Board of Governors. Comments must be received not later than April 10, 2007.

A. Federal Reserve Bank of Kansas City (Donna J. Ward, Assistant Vice President) 925 Grand Avenue, Kansas City, Missouri 64198-0001:

1. William Scott Martin Trust and William S. Martin, Miami Beach, Florida, as trustee; to acquire control of Green Country Bancorporation, Inc., and thereby indirectly acquire control of The First State Bank, both in Ketchum, Oklahoma.

Board of Governors of the Federal Reserve System, March 21, 2007.

Robert deV. Frierson,

Deputy Secretary of the Board.

[FR Doc. E7–5437 Filed 3–23–07; 8:45 am]

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FEDERAL RESERVE SYSTEM

Formations of, Acquisitions by, and Mergers of Bank Holding Companies

The companies listed in this notice have applied to the Board for approval, pursuant to the Bank Holding Company Act of 1956 (12 U.S.C. 1841 *et seq.*) (BHC Act), Regulation Y (12 CFR part 225), and all other applicable statutes and regulations to become a bank holding company and/or to acquire the assets or the ownership of, control of, or the power to vote shares of a bank or bank holding company and all of the banks and nonbanking companies owned by the bank holding company, including the companies listed below.

The applications listed below, as well as other related filings required by the Board, are available for immediate inspection at the Federal Reserve Bank indicated. The application also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the standards enumerated in the BHC Act (12 U.S.C. 1842(c)). If the proposal also involves the acquisition of a nonbanking company, the review also includes whether the acquisition of the nonbanking company complies with the