

upon the relationships established between Eximbank and its 30 City/State Partners.

The collection of the information will enable Eximbank to assess and report to the U.S. Congress the private sector's view of its programs' competitiveness, as required by law.

SUMMARY: The following summarizes the information collection proposal submitted to OMB.

- (1) Type of request: New.
- (2) Number of forms submitted: One.
- (3) Form Number: EIB 95-4.
- (4) Title of information collection:

Export-Import Bank Questionnaire of City/State Partners.

- (5) Frequency of Use: Annual.

(6) Respondents: City/State export finance organizations.

(7) Estimated total number of annual responses: 30.

(8) Estimated total number of hours needed to fill out the form: 15.

ADDITIONAL INFORMATION OR COMMENTS:

Copies of the proposed application may be obtained from Tamzen Reitan Agency Clearance Officer, (202) 565-3333.

Comments and questions should be directed to Mr. Jeff Hill, Office of Management and Budget, Information and Regulatory Affairs, Room 3235, New Executive Office Building, Washington, DC 20503, (202) 395-3176. All comments should be submitted within two weeks of this notice; if you intend to submit comments but are unable to meet this deadline, please advise by telephone that comments will be submitted late.

Dated: March 1, 1995.

Tamzen C. Reitan,

Agency Clearance Officer.

[FR Doc. 95-5449 Filed 3-6-95; 8:45 am]

BILLING CODE 6690-01-M

FEDERAL DEPOSIT INSURANCE CORPORATION

Information Collection Submitted to OMB for Review

AGENCY: Federal Deposit Insurance Corporation.

ACTION: Notice of information collection submitted to OMB for review and approval under the Paperwork Reduction Act of 1980.

SUMMARY: In accordance with the requirements of the Paperwork Reduction Act (44 U.S.C. chapter 35), the FDIC hereby gives notice that it has submitted to the Office of Management and Budget (OMB) a request for OMB review of the information collection described below.

Type of Review: Revision of a currently approved collection.

Title: Consolidated Reports of Condition and Income (Insured State Nonmember Commercial and Savings Banks).

Form Number: FFIEC 031, 032, 033, 034.

OMB Number: 3064-0052.

Expiration Date of OMB Clearance: July 31, 1995.

Respondents: Insured State Nonmember Commercial and Savings Banks.

Frequency of Response: Quarterly.

Number of Respondents: 7,011.

Number of Responses per Respondent: 4.

Total Annual Responses: 28,044.

Average Number of Hours per Response: 26.87.

Total Annual Burden Hours: 753,429.

OMB Reviewer: Milo Sunderhauf, (202) 395-7340, Office of Management and Budget, Paperwork Reduction Project 3064-0052, Washington, DC 20503.

FDIC Contact: Steven F. Hanft, (202) 898-3907, Office of the Executive Secretary, Room F-400, Federal Deposit Insurance Corporation, 550 17th Street NW., Washington, DC 20429.

Comments: Comments on this collection of information are welcome and should be submitted on or before March 22, 1995.

ADDRESSES: A copy of the submission may be obtained by calling or writing the FDIC contact listed above.

Comments regarding the submission should be addressed to both the OMB reviewer and the FDIC contact listed above.

SUPPLEMENTARY INFORMATION: The FDIC is submitting for OMB review changes to the Federal Financial Institutions Examination Council (FFIEC) Consolidated Reports of Condition and Income (call Report) filed quarterly by insured state nonmember commercial and savings banks. The Federal Reserve Board (FRB) and the Office of the Comptroller of the Currency (OCC) are also submitting these changes for OMB review for the banks under their supervision.

The proposed revisions to the Call Report that are the subject of this request have been mandated by the FFIEC and are scheduled to take effect as of March 31, 1995. The proposed changes affect several existing Call Report schedules. Unless otherwise indicated, the Call Report changes apply to all four sets of report forms (FFIEC 031, 032, 033, and 034). Nonetheless, as is customary for Call Report changes, banks will be advised that, for the March 31, 1995, report date, they may

provide reasonable estimates for any new or revised item for which the requested information is not readily available. The changes for which OMB approval is requested are summarized as follows:

Deletions and Reductions in Detail

The level of detail with which restructured loans and leases that are in compliance with modified terms are reported in the memoranda section of Schedule RC-C, "Loans and Lease Financing Receivables," would be reduced. For all banks, the current separate items for the various non-real-estate loan categories will be combined into a single item for "all other loans and all lease financing receivables." In addition, banks with foreign offices or with \$300 million or more in total assets that file the FFIEC 031 and 032 report forms also will report a single total for their restructured commercial loans to and their restructured leases of non-U.S. addressees.

Call Report items in the seven following areas would be deleted:

(1) Schedule RC-R, item 3, "Total qualifying capital allowable under the risk-based capital guidelines."
 (2) The quarterly average of "Obligations (other than securities and leases) of states and political subdivisions in the U.S." in Schedule RC-K, item 6.a(6) on the FFIEC 031, item 6.f on the FFIEC 032, and Memorandum item 1 on the FFIEC 033. This average has not been collected from banks with less than \$100 million in assets that file the FFIEC 034 report form.

(3) The four components of mandatory convertible debt, net of dedicated stock, in Schedule RC-M, items 7.a through 7.d on the FFIEC 031 and 032, items 6.a through 6.9 on the FFIEC 033, and items 8.a through 8.d on the FFIEC 034. The item for the total amount of mandatory convertible debt, net of dedicated stock, would be retained.

(4) The year-to-day reconciliation of the allocated transfer risk reserve in Schedule RI-B, Part II. This reconciliation has been collected only from banks with foreign offices or with total assets of \$300 million or more that file the FFIEC 031 or 032 report forms.

(5) The quarterly reconciliation of the agricultural loan loss deferral account in Schedule RC-M, items 10.a through 10.e. This reconciliation has been collected only from banks with total assets of less than \$100 million that file the FFIEC 034 report.

(6) Recoveries of "Special-Category Loans" in Schedule RI-B, Part I, Memorandum item 1 on the FFIEC 031

and 032, Memorandum item 3 on the FFIEC 033, and Memorandum item 2 on the FFIEC 034. This item has been collected from national banks only.

(7) The yes-no question on "Personnel changes among the three senior officers of the bank during the quarter" in Schedule RC-M, item 6 on the FFIEC 034. This item has been completed only by banks with total assets of less than \$100 million that file the FFIEC 034 report form.

New Items

Call Report items in the eight following areas would be added:

(1) Notional Amounts/Par Values of Off-Balanced Sheet Derivatives

At present, all banks report notional amount/par value data for interest rate, foreign exchange rate, and other commodity and equity contracts in items 11 through 13 of Schedule RC-L, "Off-Balance Sheet Items." The existing items will be expanded to separate exchange-traded contracts from over-the-counter contracts and to separate equity derivative contracts from commodity and other contracts. (Spot foreign exchange contracts would also be reported separately.) In addition, for each of the four types of underlying risk exposures (i.e., interest rate, foreign exchange, equity, and commodity and other), the total notional amount/par value of contracts held for trading and held for purposes other than trading will be reported separately, with the latter further divided between contracts that are marked to market for Call Report purposes and those that are not.

(2) Gross Fair Values of Off-Balance Sheet Derivatives

For banks with foreign offices or with \$100 million or more in total assets that file the FFIEC 031, 032, or 033 report forms, Schedule RC-L will also be expanded to include gross fair value data for derivatives. (This information will not be collected from small banks that file the FFIEC 034 report forms.) For each of the four types of underlying risk exposures, the gross positive and gross negative fair values will be reported separately for (i) contracts held for trading purposes, (ii) contracts held for purposes other than trading that are marked to market, and (iii) contracts held for purposes other than trading that are not marked to market. When reporting gross fair values, no netting of contracts would be permitted.

(3) Income-Related Information Encompassing Off-Balance Sheet Derivative Activities

Additional memorandum items to Schedule RI, "Income Statement," will be reported by banks with foreign offices or with \$100 million or more in total assets that file the FFIEC 031, 032, or 033 report forms. First, banks will provide a breakdown of trading revenue that has been included in the body of the Schedule RI income statement. For each of the four types of underlying risk exposures, banks will report the combined revenue from trading cash and derivative instruments. Second, for derivatives held for purposes other than trading, banks will report the effect that these contracts had on the bank's income as reported in Schedule RI. There will be separate disclosure of (i) the net increase (decrease) to interest income, (ii) the net increase (decrease) to interest expense, and (iii) the effect on noninterest income and expense of these of-balance-sheet derivative contracts.

(4) Risk-Based Capital Reporting changes

For those banks that complete Schedule RC-R in its entirety, the schedule's memorandum section will be revised to provide for the collection of remaining maturity data for long-dated contracts and for four additional types of derivative contracts: gold contracts, other precious metals contracts, other commodity contracts, and equity contracts. The two replacement cost items currently collected for interest rate and foreign exchange rate contracts will be deleted and replaced with a single new item for a bank's current credit exposure across all derivative contracts and counterparties, taking into account legally enforceable bilateral netting agreements that are recognized for risk-based capital purposes.

(5) Investments in "High-Risk Mortgage Securities" and "Structured Notes"

Four memorandum items would be added to Schedule RC-B, "Securities," in which banks will separately report the amortized cost and fair value of any "high-risk mortgage securities" and of any "structured notes" that are held in either the held-to-maturity or available-for-sale portfolios.

(6) Sales of Proprietary Mutual Funds and Annuities

Currently banks are required to report separately the dollar amount of sales during the quarter for money market funds, equity securities funds, debt securities funds, other mutual funds, and annuities in Schedule RC-M,

"Memoranda." The five existing mutual fund and annuity items combine sales of proprietary, private label, and third party products. The banking agencies would add one item to Schedule RC-M in which banks will report separately the total sales during the quarter of proprietary mutual funds and annuities.

(7) Reporting of Reciprocal Demand Balances for Insurance Assessment Purposes

The banking agencies would add new items to Schedule RC-O, "Other Data for Deposit Insurance Assessments," in order to separately identify the amount of the following three types of adjustments to a bank's reported demand deposits that are related to reciprocal demand balances and are needed for deposit insurance assessment purposes: (i) Amount by which demand deposits would be reduced if reciprocal demand balances between the reporting bank and savings associations were reported on a net basis rather than a gross basis in Schedule RC-E, (ii) Amount by which demand deposits would be increased if reciprocal demand balances between the reporting bank and U.S. branches and agencies of foreign banks were reported on a gross basis rather than a net basis in Schedule RC-E, and (iii) Amount by which demand deposits would be reduced if cash items in process of collection were included in the calculation of net reciprocal demand balances between the reporting bank and U.S. banks and savings associations in Schedule RC-E.

(8) Disclosure of the Acquisition Date When Push Down Accounting Has Been Applied

Push down accounting is the establishment of a new accounting basis for a bank in its separate financial statements (including its Call Report) as a result of a substantive change in control. The banking agencies would add an item to the Memoranda section of Schedule RI, "Income Statement," to reveal the date when any such transactions have taken place.

Instructional Changes

The Call Report instructions will be updated in certain places to incorporate references to FASB Statement No. 114, "Accounting by Creditors for Impairment of a Loan." Statement No. 114 defines impairment and sets forth measurement methods for estimating the portion of the total allowance for loan and lease losses attributable to impaired loans. The banking agencies also propose instructional changes relating to the reporting of mortgage-

backed securities in the body of Schedule RC-B, "Securities," so that item 4 of Schedule RC-B will include all mortgage-backed securities. In addition, the Call Report instructions will be clarified in response to questions about the reporting of lines of credit extended to bank insiders, participations in pools of residential mortgages, refundable loan commitment fees, and stock subscription payments.

Dated: March 1, 1995.

Federal Deposit Insurance Corporation.

Robert E. Feldman,

Acting Executive Secretary.

[FR Doc. 95-5438 Filed 3-6-95; 8:45 am]

BILLING CODE 6714-01-M

FEDERAL RESERVE SYSTEM

[Docket No. R-0806]

Policy Statement on Payments System Risk; Daylight Overdraft Pricing

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Policy statement.

SUMMARY: The Board has approved a modification of the increase in the fee charged to depository institutions for daylight overdrafts incurred in their accounts at the Reserve Banks that had been scheduled to take effect on April 13, 1995. As a result of the sizeable reductions in daylight overdrafts already achieved, as well as concerns about the possible effects of further rapid fee increases, the Board has approved an increase in the daylight overdraft fee to an effective daily rate of 15 basis points rather than 20 basis points. (The 15-basis-point fee equals an annual rate of 36 basis points, quoted on the basis of a 360-day year and a 24-hour day.) The Board will evaluate the desirability of any further increases in the daylight overdraft fee, based on the objectives of the payments system risk program, two years after the implementation of the 15-basis-point fee. Any changes in the fee resulting from that review will be announced with a reasonable lead-time for implementation.

EFFECTIVE DATE: April 13, 1995.

FOR FURTHER INFORMATION CONTACT:

Jeffrey C. Marquardt, Assistant Director (202/452-2360) or Paul Bettge, Manager (202/452-3174), Division of Reserve Bank Operations and Payment Systems, Board of Governors of the Federal Reserve System. For the hearing impaired only: Telecommunications Device for the Deaf, Dorothea Thompson (202/452-3544).

SUPPLEMENTARY INFORMATION:

I. Background on the Daylight Overdraft Fee Policy

The Board's initial policy statement aimed at controlling daylight overdrafts, which became effective in 1986 (50 FR 21120, May 22, 1985), encouraged depository institutions to establish voluntary daylight overdraft limits, or caps, across all large-value payment systems. The cap levels were subsequently reduced by the Board, effective in 1988, in an effort to reduce further the level of overdrafts (52 FR 29255, August 6, 1987).

While daylight overdrafts associated with funds transfers appeared to stabilize somewhat after the introduction of caps, daylight overdrafts associated with securities transfers, which were exempt from the original caps, continued to grow strongly. The Board became concerned, however, that further reductions in cap levels might seriously disrupt long-established market practices for settling financial transactions. Thus, in 1987, the Board commissioned two studies of the fundamental issues concerning payments system risk by a staff task force and an industry advisory group. Both groups agreed that the Federal Reserve's provision of free daylight overdraft credit was a subsidy that encouraged the overuse of such credit by private institutions. The advisory group emphasized the flexibility of daylight overdraft fees as a market-oriented means of allocating daylight credit to depository institutions that valued it most highly, while allowing them to determine the least costly means of reducing these overdrafts.

The task force identified the following set of public policy objectives for the Board's daylight overdraft program:

- Low direct credit risk to the Federal Reserve,
- Low direct credit risk to the private sector,
- Low systemic risk,
- Rapid final payments,
- Low operating expense of making payments,
- Equitable treatment of all service providers and users in the payments system,
- Effective tools for implementing monetary policy, and
- Low transaction costs in the Treasury securities market.

The task force recognized that the pursuit of these objectives might, at times, result in competing policy goals, and that policy options would need to be evaluated on the basis of whether they achieved an appropriate balance of the objectives. In particular, a policy

might need to balance considerations of direct risks to the Federal Reserve, on the one hand, and systemic risks on the other.

After completion of the two studies, the Board sought public comment on the issues associated with charging fees for daylight overdrafts, along with a number of other issues relating to its payments system risk program. The Board abolished cross-system net debit caps, but retained caps on overdrafts in Federal Reserve accounts, effective in 1991 (55 FR 22087, May 31, 1990). In 1992, the Board announced its intention to charge fees for daylight overdrafts (57 FR 47084, October 14, 1992). The Board also announced that the fee would be phased in so the Board could monitor the impact of the fee and make adjustments, if necessary.

The current effective daily fee of 10 basis points was implemented on April 14, 1994. Under the policy adopted in 1992, the fee is scheduled to increase to 20 basis points on April 13, 1995, and to 25 basis points on April 11, 1996. (The annual rate charged for daylight overdrafts is quoted on the basis of a 360-day year and a 24-hour day. The annual rates are officially quoted as 24, 48, and 60 basis points. The annual rate is converted to an effective daily rate by multiplying it by the fraction of the day that the Fedwire funds transfer system operates, currently 10 hours out of 24. This document will refer to the effective daily rates, because they are commonly used in public discussions of the daylight overdraft fee.)

II. Impact of the Initial Daylight Overdraft Fee

In the aggregate, daylight overdrafts in Federal Reserve accounts have fallen by roughly 40 percent in response to the initial 10-basis-point fee. Significant reductions in overdrafts occurred immediately upon implementation of fees, and the resulting levels of overdrafts have remained fairly constant since that time. Peak overdrafts, defined as the maximum aggregate daylight overdraft at the end of each minute during an operating day, have fallen from \$124 billion, on average, during the six months before implementation of fees, to \$70 billion, on average, from April 14 through the last reserve maintenance period in 1994. Over the same period, aggregate per-minute average overdrafts, the base measure upon which fees are assessed, dropped from \$70 billion to \$43 billion. These figures represent reductions of 43 percent and 39 percent respectively, in aggregate peak and per-minute average overdrafts.