

The Agencies use various quantitative screens to identify U.S. branches with potentially significant liquidity risk exposure. These screens primarily rely on data collected in the FFIEC 002. The Agencies have determined that the existing data collected on Schedule A, item 4.b, for balances due from banks in foreign countries and foreign central banks is not adequate for assessing U.S. branches liquidity exposure associated with their involvement with home country banks. The Agencies are therefore proposing to breakout balances due from banks in the U.S. branches home country from balances due from banks in other foreign countries.

The existing data collected in item 4.b. on balances due from Other banks in foreign countries and foreign central banks would be modified to exclude data on balances due from banks in the U.S. branches home country. This modified data would be collected in renumbered item 4.c. A new item 4.b. for balances due from Banks in home country and home country central bank would be added to collect the information needed for liquidity analysis. The Agencies believe that the proposed break out will improve their ability to assess significant liquidity exposures without adding undue reporting burden on U.S. branches.

#### PLEGGED SECURITIES

The Agencies are also proposing to add a new memorandum item to Schedule RAL for pledged securities. The new item would identify the amount of U.S. government securities included in Schedule RAL items 1.b.(1), U.S. Treasury securities, and 1.b.(2), U.S. Government agency obligations, that are pledged to secure deposits, repurchase transactions, borrowings, or for any other purpose. Based on a review of the manner in which information on pledged securities collected in the domestic bank Call Report has been used, the Agencies believe that this data would assist in determining whether securities held by a U.S. branch represent an actual source of liquidity to pay depositors or creditors or are already pledged to secure other branch obligations. The Agencies believe that the proposed item will improve their ability to assess significant liquidity exposures without adding undue reporting burden on U.S. branches.

#### REQUEST FOR COMMENT

Comments submitted in response to this Notice will be summarized or included in the Board's request for OMB approval. All comments will become a matter of public record. Written comments should address the accuracy of the burden estimates and ways to

minimize burden including the use of automated collection techniques or the use of other forms of information technology as well as other relevant aspects of the information collection request.

Comments also are requested on the expected effects on information currently reported in the FFIEC 002 report resulting from the implementation of those portions of Financial Accounting Standards Board Statement No. 125, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities," that have had their effective date delayed until after December 31, 1997. The agencies are evaluating the need for additional data in this area. These portions of Statement No. 125 address collateral and secured borrowings, repurchase agreements, dollar-rolls, securities lending, and similar transactions.

In addition, comments are requested on the extent to which U.S. branches are engaged in guaranteed certificate of deposit and confirmation certificate of deposit transactions. Guaranteed certificates of deposit are certificates of deposit issued by non-U.S. branches that are guaranteed payable by U.S. branches. In contrast, confirmation certificates of deposit are certificates of deposit issued by U.S. branches that are guaranteed payable by the non-U.S. branches. The agencies are interested in obtaining information on the volume and prevalence of such transactions among U.S. branches.

Insured U.S. branches should note that the FDIC is considering amendments to its regulations on the deposit insurance assessment base (12 CFR Part 327) which may require certain changes to the FFIEC 002. Should the FDIC adopt amendments that necessitate changes to the FFIEC 002 in 1998, those changes will be separately published for public comment as required under the Paperwork Reduction Act of 1995.

Board of Governors of the Federal Reserve System, October 30, 1997.

**William W. Wiles,**

*Secretary of the Board.*

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#### FEDERAL RESERVE SYSTEM

##### Change in Bank Control Notices; Acquisitions of Shares of Banks 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 offices 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 November 18, 1997.

**A. Federal Reserve Bank of San Francisco** (Pat Marshall, Manager of Analytical Support, Consumer Regulation Group) 101 Market Street, San Francisco, California 94105-1579:

1. *Eugene Dale Fortner, Dolores Fortner, and the Eugene D. and Dolores Fortner Family Trust*, Glendale, California; to acquire additional voting shares of Verdugo Banking Company, Glendale, California.

Board of Governors of the Federal Reserve System, October 29, 1997.

**Jennifer J. Johnson,**

*Deputy Secretary of the Board.*

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##### Change in Bank Control Notices; Acquisitions of Shares of Banks or Bank Holding Companies

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The notices are available for immediate inspection at the Federal Reserve Bank indicated. The notices also will be available for inspection at the offices 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 November 19, 1997.

**A. Federal Reserve Bank of Atlanta** (Lois Berthaume, Vice President) 104 Marietta Street, N.W., Atlanta, Georgia 30303-2713:

1. *Annie Ruth Williams*, Covington, Georgia; to retain voting shares of Newton Financial Management