

**DEPARTMENT OF THE TREASURY****Office of Thrift Supervision****12 CFR Part 551**

[Docket ID OTS-2007-0010]

RIN 1550-AC16

**Personal Transactions in Securities****AGENCY:** Office of Thrift Supervision, Treasury.**ACTION:** Interim rule with request for comment.

**SUMMARY:** Office of Thrift Supervision (OTS) regulations, at 12 CFR 551.150(a), currently require certain officers and employees of savings associations to file reports of their personal securities transactions with the savings association within ten business days after the end of each calendar quarter. In this interim final rule, OTS is amending 12 CFR 551.150(a) to provide that such reports must be filed no later than 30 calendar days after the end of each calendar quarter. As a result of this amendment, the time period for officers and employees of savings associations to file the report will be consistent with the time period for persons in similar positions at investment companies to file such reports under regulations promulgated by the Securities and Exchange Commission (SEC).

**DATES:** This interim final rule is effective June 1, 2007. Comments must be received on or before July 31, 2007.

**ADDRESSES:** You may submit comments, identified by OTS-2007-0010, by any of the following methods:

- *Federal eRulemaking Portal:* Go to <http://www.regulations.gov>, select "Office of Thrift Supervision" from the agency drop-down menu, then click submit. Select Docket ID "OTS-2007-0010" to submit or view public comments and to view supporting and related materials for this notice of proposed rulemaking. The "User Tips" link at the top of the page provides information on using [Regulations.gov](http://www.regulations.gov), including instructions for submitting or viewing public comments, viewing other supporting and related materials, and viewing the docket after the close of the comment period.

- *Mail:* Regulation Comments, Chief Counsel's Office, Office of Thrift Supervision, 1700 G Street, NW., Washington, DC 20552, *Attention:* OTS-2007-0010.

- *Hand Delivery/Courier:* Guard's Desk, East Lobby Entrance, 1700 G Street, NW., from 9 a.m. to 4 p.m. on business days, *Attention:* Regulation

Comments, Chief Counsel's Office, *Attention:* OTS-2007-0010.

*Instructions:* All submissions received must include the agency name and docket number for this rulemaking. All comments received will be entered into the docket and posted on [Regulations.gov](http://www.regulations.gov) without change, including any personal information provided. Comments, including attachments and other supporting materials received are part of the public record and subject to public disclosure. Do not enclose any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

*Viewing Comments Electronically:* Go to <http://www.regulations.gov>, select "Office of Thrift Supervision" from the agency drop-down menu, then click "Submit." Select Docket ID "OTS-2007-0010" to view public comments for this notice of proposed rulemaking.

*Viewing Comments On-Site:* You may inspect comments at the Public Reading Room, 1700 G Street, NW., by appointment. To make an appointment for access, call (202) 906-5922, send an e-mail to [public.info@ots.treas.gov](mailto:public.info@ots.treas.gov), or send a facsimile transmission to (202) 906-6518. (Prior notice identifying the materials you will be requesting will assist us in serving you.) We schedule appointments on business days between 10 a.m. and 4 p.m. In most cases, appointments will be available the next business day following the date we receive a request.

**FOR FURTHER INFORMATION CONTACT:** Judi McCormick, (202) 906-5636, Director, Consumer Protection & Specialty Programs, Examinations, Supervision & Consumer Protection; or David A. Permut, (202) 906-7505, Senior Attorney, Business Transactions Division, Office of Chief Counsel, Office of Thrift Supervision, 1700 G Street, NW., Washington, DC 20552.

**SUPPLEMENTARY INFORMATION:****I. Background**

On December 12, 2002, OTS issued a final rule specifying the recordkeeping and confirmation requirements for savings associations that effect securities transactions.<sup>1</sup> Among these regulatory requirements is a requirement that officers and employees of savings associations file a personal securities transaction report with the savings association, within ten business days of the end of each calendar quarter, if the officer or employee:

- Makes investment recommendations or decisions for the accounts of customers;

- Participates in the determination of these recommendations or decisions; or
- In connection with his or her duties, obtains information concerning which securities the savings association intends to purchase, sell, or recommend for purchase or sale.<sup>2</sup>

OTS modeled this personal securities filing requirement on SEC Rule 17j-1,<sup>3</sup> which, at the time OTS established its recordkeeping and confirmation requirements, required personal securities trading reports to be filed within ten business days after the end of each calendar quarter. In July 2004, the SEC amended Rule 17j-1 to change the filing deadline from ten business days to 30 calendar days after the end of each calendar quarter.<sup>4</sup> The SEC amendment was in response to comments regarding the delay in obtaining personal financial statements on a timely basis.

In this interim final rule, OTS is amending 12 CFR 551.150(a) to require officers and employees who are subject to the rule to file personal securities trading reports with OTS no later than 30 calendar days after the end of each calendar quarter. OTS believes it is appropriate to subject officers and employees of savings associations who are covered by the rule to requirements that are consistent with the requirements that the SEC has established for officers and employees of investment companies. Moreover, the amendment to the rule will result in more accurate reporting. The employees and officers impacted by the personal trading reporting requirement typically do not receive their quarterly statements from their brokers within ten business days of the end of any calendar quarter. The revised regulation will enable officers and employees covered by the rule to base their personal securities transactions reports on their most current brokerage statement.

**II. Solicitation of Comments***A. Solicitation of Comments on the Interim Final Rule*

OTS is requesting comment on the interim final regulation. Specifically OTS seeks comment on:

- (1) Does the interim final regulation accomplish its stated purposes?
- (2) Does the interim final regulation create any ambiguities that were not present in the current regulation?
- (3) Does the interim final regulation impose unnecessary regulatory burdens?

<sup>2</sup> 12 CFR 551.140(d)(1)-(3) (2007).

<sup>3</sup> See 67 FR 39886, 39889 (June 11, 2002).

<sup>4</sup> 69 FR 41696, 41699—fn. 34 (July 9, 2004).

<sup>1</sup> 67 FR 76293 (December 12, 2002).

### B. Solicitation of Comments Regarding the Use of Plain Language

Section 722 of GLBA requires federal banking agencies to use "plain language" in all proposed and final rules published after January 1, 2000. OTS believes the interim final rule change is presented in a simple and straightforward manner.

### III. Regulatory Findings

#### A. Advance Notice and Public Comment

Section 553 of the Administrative Procedure Act (APA) provides that notice and comment procedures are not required when an agency finds that notice and public procedure are impracticable, unnecessary or contrary to the public interest. 5 U.S.C. 553. The original rule was intended to track the SEC rule. Subsequently the SEC changed the filing requirement from 10 to 30 days. It is appropriate for OTS to change its rule to conform to the SEC rule. No additional substantive burden is being added by this action, and the revision reduces regulatory burden by providing a longer period of time to file the required report. Accordingly, OTS finds that prior notice and public comment are unnecessary because the rule conforms OTS's regulation to the SEC's rules, and does not alter any substantive requirements.

Although OTS has concluded that public notice and comment are not required for this interim final rule, it invites comments during the 60-day period following publication. In developing a final rule, OTS will consider all public comments it receives within that period.

#### B. Effective Date

Under section 553(d) of the APA, a rule may not be effective until 30 days after its publication.<sup>5</sup> This provision, however, does not apply where the agency finds good cause for making the rule effective immediately. For the reasons set forth above, and because the rule reduces regulatory burden, OTS finds that there is good cause for making this rule effective immediately.

Section 302 of the Riegle Community Development and Regulatory Improvement Act of 1994 (CDRIA)<sup>6</sup> requires that new regulations and amendments to existing regulations take effect on the first day of a calendar quarter that begins on or after the date of publication of the rule. This delayed effective date provision, however, applies only if the rule imposes additional reporting, disclosure, or other

new requirements on insured depository institutions. This rule imposes no additional reporting, disclosure or other requirements on any insured depository institution. Section 302 is inapplicable.

#### C. Paperwork Reduction Act

OTS has determined that this interim final rule does not involve a change to collections of information previously approved under the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*).

#### D. Executive Order 12866

The Director of OTS has determined that this interim final rule does not constitute a "significant regulatory action" for purposes of Executive Order 12866.

#### E. Regulatory Flexibility Act

Pursuant to section 605(b) of the Regulatory Flexibility Act (RFA) (5 U.S.C. 601), the Director certifies that this interim final rule will not have a significant economic impact on a substantial number of small entities. The interim final rule would conform OTS rules to SEC rules and give affected officers and employees additional time to file certain required reports. Accordingly, OTS has determined that a Regulatory Flexibility Analysis is not required.

#### F. Unfunded Mandates Reform Act of 1995

OTS has determined that the proposed rule will not result in expenditures by state, local, or tribal governments or by the private sector of \$100 million or more and that a budgetary impact statement is not required under Section 202 of the Unfunded Mandates Reform Act of 1995, Pub. L. 104-4 (Unfunded Mandates Act). The interim final rule would conform OTS rules to SEC rules and give affected officers and employees additional time to file certain required reports. The change should not have a significant impact on small institutions. Accordingly, a budgetary impact statement is not required under section 202 of the Unfunded Mandates Act.

#### List of Subjects in 12 CFR Part 551

Reporting and recordkeeping requirements, Savings associations, Securities, Trusts and trustees.

#### Authority and Issuance

■ For the reasons set forth in the preamble, the Office of Thrift Supervision amends Chapter V of title 12 of the Code of Federal Regulations, as set forth below:

### PART 551—RECORDKEEPING AND CONFIRMATION REQUIREMENTS FOR SECURITIES TRANSACTIONS

■ 1. The authority citation for 12 CFR part 551 continues to read as follows:

**Authority:** 12 U.S.C. 1462a, 1463, 1464.

■ 2. Amend § 551.150(a) by removing the phrase "within ten business" and adding the phrase "no later than 30 calendar" in its place.

\* \* \* \* \*

Dated: May 25, 2007.

By the Office of Thrift Supervision.

**John M. Reich,**

Director.

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BILLING CODE 6720-01-P

### DEPARTMENT OF TRANSPORTATION

#### Federal Aviation Administration

#### 14 CFR Part 39

[Docket No. FAA-2007-27258; Directorate Identifier 2006-NM-213-AD; Amendment 39-15074; AD 2007-11-17]

RIN 2120-AA64

#### Airworthiness Directives; Cessna Model 500, 501, 550, 551, S550, 560, 560XL, and 750 Airplanes

**AGENCY:** Federal Aviation Administration (FAA), Department of Transportation (DOT).

**ACTION:** Final rule.

**SUMMARY:** The FAA is superseding an existing airworthiness directive (AD), which applies to certain Cessna Model 500, 550, S550, 560, 560XL, and 750 airplanes. That AD currently requires installing identification sleeves on the wires for the positive and negative terminal studs of the engine and/or auxiliary power unit (APU) fire extinguishing bottles, as applicable, and re-connecting the wires to the correct terminal studs. This new AD retains the requirements of the existing AD; adds airplanes to the applicability; and, for certain airplanes only, requires a review of wiring changes made using the original issue of one service bulletin and corrective actions if necessary. This AD results from a determination that additional airplanes are subject to the unsafe condition described in the existing AD. We are issuing this AD to ensure that the fire extinguishing bottles are activated in the event of an engine or APU fire, and that flammable fluids are not supplied during a fire, which could result in an unextinguished fire in the nacelle or APU.

<sup>5</sup> 12 U.S.C. 553(d).

<sup>6</sup> 12 U.S.C. 4802.