

such as a negotiable order of withdrawal ("NOW") account, money-market deposit account, or Interest on Lawyers Trust Account ("IOLTA"), even if checks may be drawn on the account.

The temporary full insurance coverage of "noninterest-bearing transaction accounts" expires on December 31, 2012. After December 31, 2012, funds in noninterest-bearing transaction accounts will be insured under the FDIC's general deposit insurance rules, subject to the Standard Maximum Deposit Insurance Amount of \$250,000.

For more information about FDIC insurance coverage of transaction accounts, visit <http://www.fdic.gov>.

(2) Institutions participating in the FDIC's Transaction Account Guarantee Program on December 31, 2010, must provide a notice by mail to depositors with negotiable order of withdrawal accounts that are protected in full as of that date under the Transaction Account Guarantee Program and to depositors with Interest on Lawyer Trust Accounts that, as of January 1, 2011, such accounts no longer will be eligible for unlimited protection, but instead will be insured under the general insurance rules up to the SMDIA of \$250,000. This notice must be provided to such depositors no later than December 31, 2010.

(3) If an institution uses sweep arrangements, modifies the terms of an account, or takes other actions that result in funds no longer being eligible for full coverage under this section, the institution must notify affected customers and clearly advise them, in writing, that such actions will affect their deposit insurance coverage.

By order of the Board of Directors.

Dated at Washington DC, this 27th day of September 2010. Federal Deposit Insurance Corporation.

**Robert E. Feldman,**  
*Executive Secretary.*

[FR Doc. 2010-24594 Filed 9-29-10; 8:45 am]

**BILLING CODE 6714-01-P**

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## FEDERAL HOUSING FINANCE BOARD

### 12 CFR Part 914

### FEDERAL HOUSING FINANCE AGENCY

### 12 CFR Part 1260

RIN 2590-AA35

### Information Sharing Among Federal Home Loan Banks

**AGENCY:** Federal Housing Finance Agency.

**ACTION:** Notice of proposed rulemaking; request for comments.

**SUMMARY:** Section 1207 of the Housing and Economic Recovery Act of 2008 (HERA) amended the Federal Home Loan Bank Act (Bank Act) to require the Federal Housing Finance Agency (FHFA) to make available to each Federal Home Loan Bank (Bank) information relating to the financial condition of all other Banks. Section 1207 also requires FHFA to promulgate regulations to facilitate the sharing of such information among the Banks. This proposed rule would implement those HERA provisions, and also would transfer to new part 1260, without substantive change, existing regulations of the former Federal Housing Finance Board (Finance Board) relating to the filing of regulatory reports by the Banks. **DATES:** Written comments must be received on or before November 29, 2010.

**ADDRESSES:** You may submit your comments, identified by regulatory information number (RIN) 2590-AA35, by any of the following methods:

- *E-mail:* Comments to Alfred M. Pollard, General Counsel may be sent by e-mail to [RegComments@fhfa.gov](mailto:RegComments@fhfa.gov). Please include "RIN 2590-AA35" in the subject line of the message.
- *Federal eRulemaking Portal:* <http://www.regulations.gov>. Follow the instructions for submitting comments. If you submit your comment to the Federal eRulemaking Portal, please also send it by e-mail to FHFA at [RegComments@fhfa.gov](mailto:RegComments@fhfa.gov) to ensure timely receipt by FHFA. Please include "RIN 2590-AA35" in the subject line of the message.
- *U.S. Mail, United Parcel Service, Federal Express, or Other Mail Service:* The mailing address for comments is: Alfred M. Pollard, General Counsel, Attention: Comments/RIN 2590-AA35, Federal Housing Finance Agency, Fourth Floor, 1700 G Street, NW., Washington, DC 20552.
- *Hand Delivered/Courier:* The hand delivery address is: Alfred M. Pollard, General Counsel, Attention: Comments/RIN 2590-AA35, Federal Housing Finance Agency, Fourth Floor, 1700 G Street, NW., Washington, DC 20552. The package should be logged at the Guard Desk, First Floor, on business days between 9 a.m. and 5 p.m.

**FOR FURTHER INFORMATION CONTACT:** Eric M. Raudenbush, Assistant General Counsel, Office of General Counsel, [eric.raudenbush@fhfa.gov](mailto:eric.raudenbush@fhfa.gov), (202) 414-6421 (this is not a toll-free number); Federal Housing Finance Agency, Fourth Floor, 1700 G Street, NW., Washington, DC 20552; Daniel E. Coates, Associate Director, Division of FHLBank Regulation, [daniel.coates@fhfa.gov](mailto:daniel.coates@fhfa.gov), (202) 408-2959 (this is not a toll-free number), Federal Housing Finance Agency, 1625 Eye Street, NW., Washington, DC 20006. The telephone number for the Telecommunications Device for the Hearing Impaired is (800) 877-8339.

**SUPPLEMENTARY INFORMATION:**

### I. Comments

FHFA invites comments on all aspects of the proposed rule and will take all comments into consideration before issuing the final rule. Copies of all comments will be posted without change, including any personal information you provide, such as your name and address, on FHFA's Internet Web site at <http://www.fhfa.gov>. In addition, copies of all comments received will be available for examination by the public on business days between the hours of 10 a.m. and 3 p.m. at the Federal Housing Finance Agency, Fourth Floor, 1700 G Street, NW., Washington, DC 20552. To make an appointment to inspect comments, please call the Office of General Counsel at (202) 414-6924.

### II. Background

#### A. The Federal Home Loan Bank System (Bank System)

The Bank System consists of 12 Banks and the Office of Finance (OF). The Banks are instrumentalities of the United States organized under the Federal Home Loan Bank Act (Bank Act). *See* 12 U.S.C. 1423, 1432(a). The Banks are cooperatives; only members of a Bank may purchase its capital stock, and only members or certain eligible housing associates (such as state housing finance agencies) may obtain access to secured loans, known as advances, or other products provided by a Bank. *See* 12 U.S.C. 1426(a)(4), 1430(a), 1430b. Each Bank is managed by its own board of directors and serves the public interest by enhancing the availability of residential mortgage and community lending credit through its member institutions. *See* 12 U.S.C. 1427. Any eligible institution (generally a federally insured depository institution or state-regulated insurance company) may become a member of a Bank if it satisfies certain criteria and purchases a specified amount of the Bank's capital stock. *See* 12 U.S.C. 1424; 12 CFR part 1263.

#### B. New Statutory Provision Requiring the Sharing of Bank Information

Section 1207 of HERA added a new section 20A to the Bank Act, 12 U.S.C. 1440a, that requires FHFA to make available to each Bank such reports,

*daniel.coates@fhfa.gov*, (202) 408-2959 (this is not a toll-free number), Federal Housing Finance Agency, 1625 Eye Street, NW., Washington, DC 20006. The telephone number for the Telecommunications Device for the Hearing Impaired is (800) 877-8339.

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records, or other information as may be available, relating to the condition of any other Bank in order to enable each Bank to evaluate the financial condition of the other Banks and the Bank System as a whole. The underlying objective for that requirement is that such information will better enable each Bank to assess the likelihood that it may be required to make payments on behalf of another Bank under the joint and several liability on the Banks' Consolidated Obligations (COs), as well as to comply with its disclosure obligations under the Securities Exchange Act of 1934 (1934 Act) (both of which are discussed in detail below). See 12 U.S.C. 1440a(a). Section 20A further requires FHFA to promulgate regulations to facilitate the sharing of such financial information among the Banks. See 12 U.S.C. 1440a(b)(1). Section 20A permits a Bank to request that FHFA determine that particular information that may otherwise be made available is proprietary and that the public interest requires that such information not be shared. See 12 U.S.C. 1440a(b)(2). Finally, section 20A provides that it does not affect the obligations of the Banks under the 1934 Act and related regulations of the Securities and Exchange Commission (SEC), and that the sharing of Bank information thereunder shall not cause FHFA to waive any privilege applicable to the shared information. See 12 U.S.C. 1440a(c), (d).

### C. Banks' Joint and Several Liability and Disclosure Requirements on COs

The Banks fund their operations principally through the issuance of the COs, which are debt instruments issued on behalf of the Banks by the OF, a joint office of the Banks, pursuant to section 11 of the Bank Act, 12 U.S.C. 1431, and part 966 of the regulations of the Finance Board, 12 CFR part 966.<sup>1</sup> Under these regulations, the COs may be issued only through OF as agent for the Banks and the Banks are jointly and severally liable for the timely payment of principal and interest on all COs when due. See 12 CFR 966.2(b), 966.9(a). Accordingly, even when COs are issued with one Bank being the primary obligor, the ultimate liability for the timely payment of principal and interest thereon remains with all of the Banks collectively. By virtue of their status as government-sponsored

enterprises (GSEs) and the soundness of the Banks' secured lending (advances) business over many years, the Banks typically can borrow funds in the capital markets at favorable rates. The Banks pass along a portion of their GSE funding advantage to their member institutions—and ultimately to consumers—by providing advances and other financial services at rates that may not otherwise be available to their members.

Although the COs themselves are not registered securities under the federal securities laws, the Finance Board adopted regulations in 2004 requiring each Bank to register a class of its common stock (which is issued only to its member institutions) with the SEC under section 12(g) of the 1934 Act, 15 U.S.C. 78l(g). See 69 FR 38811 (June 29, 2004), *codified at* 12 CFR part 998. Each Bank subsequently registered a class of its common stock with the SEC in compliance with that regulation. Separately, HERA included a provision requiring the Banks to register their common stock under section 12(g) of the 1934 Act, and to maintain that registration. See 15 U.S.C. 780o(b). Accordingly, each Bank remains subject to the periodic disclosure requirements established under the 1934 Act, as interpreted and administered by the SEC.

### D. Considerations of Differences Between the Banks and the Enterprises

Section 1201 of HERA amended the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 to add a new section 1313(f), which requires the Director of FHFA, when promulgating regulations relating to the Banks, to consider the differences between the Banks and the Enterprises (Fannie Mae and Freddie Mac) as they relate to: the Banks' cooperative ownership structure; the mission of providing liquidity to members; the affordable housing and community development mission; their capital structure; and their joint and several liability on consolidated obligations. See HERA, section 1201, Public Law 110–289, 122 Stat. 2782–83 (*amending* 12 U.S.C. 4513). The Director also may consider any other differences that are deemed appropriate. In preparing this proposed rule, FHFA considered the differences between the Banks and the Enterprises as they relate to the above factors. FHFA requests comments from the public about whether differences related to these factors should result in any revisions to the proposal.

### III. The Proposed Rule

The proposed rule would add a new part 1260 to the regulations of FHFA to govern the handling of Bank records, reports, and other information. It would transfer material relating to Bank regulatory reports from part 914 of the regulations of the Finance Board to new part 1260 and would remove part 914. It would also create new provisions within part 1260 to govern the sharing of information among Banks, as required by section 20A of the Bank Act. The substance of each provision of the proposed rule is described in the following paragraphs.

#### Section 1260.1—Definitions

Proposed § 1260.1 would include a series of definitions, most of which would relate to the provisions to be relocated from part 914 of the regulations of the Finance Board. The definitions of the acronyms “AHP,” “AMA,” “CICA,” and “CIP” (which are used in § 1260.2, discussed below) would be substantively identical to the definitions of those terms set forth in 12 CFR part 900, which applies to 12 CFR chapter IX, including current part 914. In addition, the proposed rule would transfer to § 1260.1, without substantive change, the definition of the term “Regulatory Report” that is currently set forth in 12 CFR 914.1. Finally, § 1260.1 would also contain definitions for the short forms “Bank,” “Bank Act,” and “FHFA.”

#### Section 1260.2—Filing Regulatory Reports

The proposed rule would transfer to § 1260.2 from § 914.2 of the Finance Board's regulations a provision requiring each Bank to file regulatory reports with FHFA, as requested by the agency. As defined in § 1260.1, these regulatory reports would include any report of data needed to evaluate the safety and soundness of the Bank's operations or its compliance with statutory requirements, or with regulations, orders or other requirements imposed by FHFA. Proposed § 1260.2 is identical to current § 914.2, except that § 1260.2 would expressly refer to FHFA as regulator of the Banks instead of the former Finance Board.

#### Section 1260.3—Sharing of Information Among the Banks

Paragraph (a) of proposed § 1260.3 sets forth the operative provisions of the regulation that implement section 20A of the Bank Act, which identify the information to be shared and describe the manner in which FHFA will share that information. The information to be

<sup>1</sup> HERA amended certain aspects of section 11 of the Bank Act, relating to the issuance of consolidated obligations and the role of the OF in that process. FHFA intends to make conforming revisions to the regulations now located at part 966, and to relocate those provisions to an appropriate place in FHFA's regulations.

shared will include the final report of examination for each Bank, along with any other supervisory reports that FHFA presents to the board of directors of any Bank. Documents that are related to the reports of examination but are not part of the report, such as work programs, conclusions memoranda, and findings memoranda, would not be included among the materials to be distributed to the Banks. FHFA is proposing to distribute the reports of examination to each of the other Banks and OF as a matter of routine, rather than in response to individual requests, and to do so soon after the report has been finalized and presented to the board of directors of the subject Bank. Because OF is a joint office of the Banks and because it is charged with preparing the combined financial reports for the Bank System, FHFA is proposing to distribute to OF copies of the reports for all of the Banks. Although OF is examined by FHFA in the same manner as the Banks, FHFA is not proposing to distribute to the Banks the report of examination for OF because all twelve Bank presidents sit on OF's board of directors and, therefore, would already have access to the report.<sup>2</sup> Paragraph (a) also notes that the distribution of information under this provision is subject to the requirements set forth in paragraphs (b) through (d) of the proposal, which reflect the statutory provisions relating to the withholding of certain proprietary information.

Section 20A of the Bank Act reflects a determination by Congress that providing greater access to financial information relating to all of the other Banks will help each Bank assess its potential exposure to joint and several liability on the COs, as well as the accuracy of its disclosure documents under the 1934 Act. At present, each Bank already has access to a significant amount of information about the financial condition of the other Banks. That information includes the quarterly and annual reports that each Bank files with the SEC under the 1934 Act, which reports must disclose all material business and financial information about the particular Bank. It also includes the call reports that each Bank files with FHFA, as well as the quarterly certifications that each Bank must file with FHFA attesting to its ability to make full and timely payments on its current obligations during the next

quarter. *See* 12 CFR 966.9(b)(1), (2). The Banks also have access to FHFA's Annual Report to Congress (required under 12 U.S.C. 4521(a)), which summarizes the conclusions set forth in each Bank's report of examination.

FHFA believes that by providing each Bank with access to the actual reports of examination and other supervisory reports presented to the boards of directors of the other Banks, the proposed rule would enable each Bank to better evaluate the other financial information already available and thus make a more informed assessment about the financial condition of each of the other Banks. The reports of examination and other supervisory reports would include more detailed information than is currently available to the Banks. Among other things, the report of examination typically sets forth the examiners' assessment of the strength of the Bank's corporate governance, its management of market risk, credit risk and operational risk, and its overall financial condition and performance. Based on these assessments, the report also may enumerate matters that require corrective action by, or under the supervision of, the Bank's board of directors and the dates by which such corrective action is to be completed. The Banks are well-suited to evaluate the information contained in a report of examination as a result of their own experience with the examination process.

Although FHFA believes that its distribution of the reports of examination and other supervisory reports will provide the Banks with the type of information contemplated by the statute, FHFA requests comments on whether other types of documents also should be made available under this regulation. FHFA also requests comments on whether the rule should allow FHFA to expand the categories of information to be distributed to the Banks without undertaking a subsequent rulemaking, *i.e.*, whether the Director or his designee may expand the categories of information to be disseminated through a less formal means, such as by order or staff action.

FHFA believes that the approach embodied in the proposed rule, *i.e.*, where FHFA provides supervisory information directly to each of the Banks rather than requiring the Banks to share supervisory information among themselves, is consistent with the requirements of section 20A and will achieve its objectives. Section 20A(a) generally directs FHFA to make available to all of the Banks information relating to the financial condition of all of the other Banks. Section 20A(b)

separately directs FHFA to adopt regulations to facilitate the sharing of the information made available under section 20A(a) directly among the Banks. That latter provision appears to reflect a presumption that FHFA would implement the HERA amendments by requiring each Bank to provide copies of its report of examination and other supervisory reports directly to all of the other Banks. Because FHFA is proposing to distribute the reports of examination and other supervisory reports directly to all of the Banks, FHFA believes that the rule need not include a provision dealing with Bank-to-Bank sharing of the reports of examination and other supervisory reports that FHFA presents to the board of directors. Moreover, as noted previously, the Banks currently share various types of other information among themselves on a voluntary basis, which suggests that there is no compelling need to mandate Bank-to-Bank sharing of particular categories of other information. FHFA requests comments on whether the rule should retain this approach.

By statute, FHFA is required to conduct an on-site examination of each Bank at least annually to determine the condition of the entity for the purpose of ensuring its safety and soundness. *See* 12 U.S.C. 1440, 4517(a)-(b). Upon completion of each annual or special examination, FHFA examiners prepare a written report of examination for the Director of FHFA (as required by section 20 of the Bank Act, 12 U.S.C. 1440), which is subsequently presented to the board of directors of the particular Bank. The report of examination is prepared for the Director of FHFA and, by regulation, remains the property of FHFA even when in the possession of a Bank, OF, a Bank member, or another government agency. *See* 12 U.S.C. 1440; 12 CFR 911.3(c)(3). Accordingly, these reports, as well as any other supervisory correspondence, are subject to the restrictions on the disclosure of unpublished information set out in part 911 of the regulations of the former Finance Board (which remain in effect until superseded by action of FHFA).

Currently, the Banks are prohibited by regulation from sharing their reports of examination among themselves, or with any other outside party, except pursuant to the written consent of FHFA. *See* 12 CFR 911.3(c)(1). In 2006, the Finance Board issued an Advisory Bulletin that permitted the Banks to disclose the factual content of a report of examination in the preparation of its SEC disclosure documents, but continued to prohibit the Banks from releasing the report of examination

<sup>2</sup> FHFA also reviews the annual combined Bank System financial statements prepared by OF on behalf of the Banks. The agency then issues a letter to the OF board of directors that provides recommendations for enhanced disclosures. This also would not be distributed to the Banks under the proposed rule, for the same reason.

itself, or any portion of the report. See Federal Housing Finance Board Advisory Bulletin 2006-AB-03 (July 18, 2006) (available online at <http://www.fhfa.gov/webfiles/13094/2006-AB-03.pdf>). The Advisory Bulletin specifically prohibited the sharing of reports of examination among the Banks even for the purpose of assessing the likelihood of having to make a payment on COs for which another Bank is the primary obligor. If FHFA adopts a final rule that requires it to provide examination reports to all of the Banks, FHFA also will consider whether any revisions to the Advisory Bulletin are necessary, such as to ensure that the Bulletin remains consistent with purposes of HERA while also ensuring that the Banks do not share the reports of examination that they receive from FHFA with any other parties.

In the rule, FHFA is proposing to distribute only the final reports of examination, along with any other supervisory reports that FHFA has presented to a Bank's board of directors, and to do so as a matter of course after each report has been finalized and presented to the Bank's board, rather than making the reports available only upon the request of individual Banks. FHFA views the proposed distribution of the reports to all of the Banks as a matter of course as preferable to providing the reports only in response to a specific request from one or more of the Banks. First, the proposed approach would ensure that all Banks receive and use the same information in assessing their potential joint and several liability and in preparing their disclosure documents. Further, this approach would result in a more efficient and regular process for FHFA to administer and would establish a clear and standard timeframe for each Bank to review its own report of examination for any proprietary information that it believes should be withheld under the statutory standards of section 20A of the Bank Act. FHFA requests comments on whether the proposed distribution as a matter of course is the most appropriate means of providing information to the Banks.

Paragraph (b) of proposed § 1260.3 would implement the statutory requirement that each Bank be afforded the opportunity to request that the Director of FHFA not disclose particular information because the information is proprietary and the public interest requires that the information not be shared. Paragraph (b)(1) generally restates the statutory standard, which is a two-part test and requires that both parts must be satisfied in order for the Director or his designee to determine

that the information should not be disclosed. Paragraph (b)(1) also would give each Bank a brief period of time within which to ask that FHFA not disclose certain information within the report of examination to the other Banks. In order to make such a request, a Bank must file a written request with FHFA that particular information contained in its report of examination or other supervisory report be redacted from the copy of the report to be distributed to the other Banks. Each entity would be required to file its request no later than the close of business on the tenth business day following the date on which FHFA presented the final report of examination or the supervisory report to the entity's board of directors.

FHFA believes that ten (10) business days is sufficient time for a Bank to review its report of examination or any other supervisory reports for proprietary information that it believes meets the standards for being withheld. First, through the receipt of draft reports and other supervisory correspondence, the Bank most likely will already be familiar with most of the contents of the reports well before they are presented to the Bank's board of directors. Second, a final report of examination typically is not a lengthy document, and therefore should not require a lengthy period of time to review for proprietary information. The same should be true for other types of supervisory reports. Finally, in order for this process to achieve the statutory objectives, these reports of examination must be reasonably current, so that the recipients can evaluate them together with other current information relating to the financial condition of the Bank. FHFA requests comments on whether the final rule should allow each entity a different length of time within which to review its report of examination for proprietary information that it believes should not be disclosed.

Paragraph (b)(2) of proposed § 1260.3 would require the Director of FHFA, or such other FHFA officer as the Director may designate, to determine promptly whether to grant all or part of a request to withhold proprietary information that a Bank has made in accordance with the requirements of paragraph (b)(1). Any determination made by the Director or his designee under this paragraph would be final.

Proposed § 1260.3(c) describes the process by which FHFA would distribute reports to the other Banks. The rule would require FHFA to distribute a report of examination or other supervisory report after the ten (10) business-day period noted above

has expired without a request to withhold proprietary information, or after the Director or his designee has made a determination in response to such a request. If the Director or his designee determines that the report includes proprietary information that should not be disclosed, FHFA will distribute an appropriately redacted version of the report. The proposed rule would allow reports of examination and other supervisory reports to be distributed in either tangible or electronic form, as deemed appropriate on either an ongoing, or case-by-case, basis by FHFA.

Section 20A(d) of the Bank Act states that the Director of FHFA shall not be deemed to have waived any privilege applicable to any information concerning a Bank by sharing information as required under section 20A(a) of the statute. As mentioned above, reports of examination and other supervisory correspondence are considered to be privileged unpublished information that are subject to the restrictions on disclosure set forth in part 911 of the regulations of the Finance Board, which remains in effect. See 12 CFR 911.1, 911.3(c)(3). Proposed § 1260.3(d) would make clear that reports of examination or any other privileged information that may be made available under § 1260.3 would remain subject to the restrictions set forth in part 911 of this title, or any future regulatory provisions dealing with the same subject matter that may be promulgated by FHFA. Proposed § 1260.3(d) would operate in parallel with 12 CFR 911.3(a), which provides that possession or control of unpublished information by any entity, including the Banks and OF, does not constitute a waiver by FHFA of any privilege, or of its right to control, supervise, or impose limitations on the subsequent use and disclosure of the information.

Because FHFA conducts examinations at various times over the course of a year, examination reports for different Banks are generated at different times during the year. Thus, if the rule were to apply only to reports of examination and supervisory reports that were prepared after the rule takes effect, it could take nearly one year for FHFA to distribute the reports for all twelve of the Banks. FHFA believes that a better approach would be to include in the rule a transition provision that allows FHFA to distribute the then-current reports of examination to all of the Banks and OF soon after the rule takes effect. Accordingly, proposed § 1260.3(e) includes a transition provision that would require FHFA to

distribute to each Bank and OF a copy of the most recent report of examination for each Bank as of the effective date of the final rule. Each Bank would be given ten (10) business days from the effective date of the final rule to submit to FHFA a written request to withhold proprietary information contained in the report of examination, in the manner described in paragraph (b)(1). Following the expiration of this review period, the reports of examination would be distributed as provided in paragraphs (b)(2) and (c) of proposed § 1260.3.

FHFA requests comments regarding whether the transition provision should require the distribution of any reports of examination other than the most current report as of the effective date of the final rule, and, if so, to what extent, and whether any other types of documents should be provided as part of the initial distribution.

#### IV. Paperwork Reduction Act

The proposed rule does not contain any collections of information pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*). Therefore, FHFA has not submitted any information to the Office of Management and Budget for review.

#### V. Regulatory Flexibility Act

The proposed rule applies only to the Banks, which do not come within the meaning of small entities as defined in the Regulatory Flexibility Act (RFA). See 5 U.S.C. 601(6). Therefore, in accordance with section 605(b) of the RFA, FHFA certifies that this proposed rule, if promulgated as a final rule, will not have significant economic impact on a substantial number of small entities.

#### List of Subjects

##### 12 CFR Part 914

Federal home loan banks, Reporting and recordkeeping requirements.

##### 12 CFR Part 1260

Confidential business information, Federal home loan banks, Reporting and recordkeeping requirements.

Accordingly, for the reasons stated in the preamble and under the authority of 12 U.S.C. 4526, the Federal Housing Finance Agency proposes to amend subchapter C of chapter IX and subchapter D of chapter XII of title 12 of the Code of Federal Regulations as follows:

#### CHAPTER IX—FEDERAL HOUSING FINANCE BOARD

##### SUBCHAPTER C—GOVERNANCE AND MANAGEMENT OF THE FEDERAL HOME LOAN BANKS

##### PART 914—[REMOVED]

1. Remove part 914.

#### CHAPTER XII—FEDERAL HOUSING FINANCE AGENCY

##### SUBCHAPTER D—FEDERAL HOME LOAN BANKS

2. Add part 1260 to subchapter D to read as follows:

##### PART 1260—FILING OF REGULATORY REPORTS AND SHARING OF INFORMATION

Sec.

1260.1 Definitions.

1260.2 Filing Regulatory Reports.

1260.3 Sharing of information among Banks.

**Authority:** 12 U.S.C. 1440, 1440a, 4511, 4514, and 4517.

##### § 1260.1 Definitions.

As used in this part:

*AHP* means the Affordable Housing Program, the CICA program that each Bank is required to establish pursuant to section 10(j) of the Bank Act (12 U.S.C. 1430(j)) and part 1291 of this chapter.

*AMA* means those assets that may be acquired by a Bank under part 955 of this title.

*Bank*, written in title case, means a Federal Home Loan Bank established under section 12 of the Bank Act (12 U.S.C. 1432).

*Bank Act* means the Federal Home Loan Bank Act, as amended (12 U.S.C. 1421 through 1449).

*CICA* means any advance made through a program offered by a Bank under section 10 of the Bank Act (12 U.S.C. 1430), part 952 of this title, and part 1291 of this chapter to provide funding for targeted community lending and affordable housing.

*CIP* means the Community Investment Program, an advance program under CICA required to be offered pursuant to section 10(i) of the Bank Act (12 U.S.C. 1430(i)).

*FHFA* means the Federal Housing Finance Agency.

*Regulatory Report* means—(1) Any report to FHFA of raw or summary data needed to evaluate the safe and sound condition and operations of a Bank or to determine compliance with any:

- (i) Provision in the Bank Act or other law, order, rule, or regulation;
- (ii) Condition imposed in writing by FHFA in connection with the granting of any application or other request by a Bank; or

(iii) Written agreement entered into between FHFA and a Bank; and

(2) Includes, without limitation:

- (i) Call reports and reports of instrument-level risk modeling data;
- (ii) Reports related to a Bank's housing mission achievement, such as reports related to AMA, AHP, CIP, and other CICA programs; and
- (iii) Reports submitted in response to requests to one or more Banks for information on a nonrecurring basis.

##### § 1260.2 Filing Regulatory Reports.

Each Bank shall file Regulatory Reports with FHFA in accordance with the forms, instructions, and schedules issued by FHFA from time to time. If no regularly scheduled reporting dates are established, Regulatory Reports shall be filed as requested by FHFA.

##### § 1260.3 Sharing of information among Banks.

(a) *In general.* In order to enable each Bank to evaluate the financial condition of any one or more of the other Banks and the Bank System, FHFA periodically shall distribute to each Bank and to the Office of Finance the final reports of examination (or such portions thereof that FHFA deems appropriate) of all other Banks, as well as any other supervisory reports that FHFA presents to the board of directors of a Bank, subject to the requirements set forth in paragraphs (b) through (d) of this section.

(b) *Requests to withhold proprietary information.*—(1) After FHFA has presented a Bank's report of examination or other supervisory report to its board of directors, the Bank shall have ten (10) business days within which to request in writing that particular information contained therein be withheld from disclosure because it is proprietary and the public interest requires that it not be shared.

(2) After receiving a timely written request made under paragraph (b)(1) of this section, the Director or his designee shall promptly determine whether to redact any information from the report of examination or other supervisory report prior to distributing it to the other Banks and the Office of Finance. Such a determination shall be final.

(c) *Distribution of Information.* After the expiration of the review period established under paragraph (b)(1) of this section without a request from the affected Bank, or after the Director or his designee has made a determination under paragraph (b)(2) of this section, FHFA shall distribute a copy of the report of examination or other supervisory report to each Bank and the Office of Finance in either tangible or

electronic form, as FHFA shall deem appropriate.

(d) *No waiver of privilege.* The release of information under this section does not constitute a waiver by FHFA of any privilege, or its right to control, supervise, or impose limitations on, the subsequent use and disclosure of any information concerning a Bank. To the extent that any reports of examination or other materials provided to a Bank or the Office of Finance pursuant to this section otherwise qualify as Unpublished Information under § 911.1 of this title or any successor provision, those materials shall continue to qualify as such and shall continue to be subject to the restrictions on disclosure set forth in part 911 of this title, or any successor provisions.

(e) *Transition provision.* Following the effective date of this section, FHFA will distribute promptly to each Bank and the Office of Finance a copy of the most recent report of examination of all other Banks. Each Bank shall have ten (10) business days following the effective date of this section within which to submit a written request to withhold information as described in paragraph (b)(1) of this section. Upon the expiration of the time period described in the preceding sentence, the distribution of the initial reports of examination shall proceed in accordance with paragraphs (b)(2) and (c) of this section.

Dated: September 24, 2010.

**Edward J. DeMarco,**

*Acting Director, Federal Housing Finance Agency.*

[FR Doc. 2010-24578 Filed 9-29-10; 8:45 am]

**BILLING CODE 8070-01-P**

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 71

#### Proposed Modification of the Seattle, WA, Class B Airspace Area; Public Meetings

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

**ACTION:** Notice of meetings.

**SUMMARY:** This notice announces three fact-finding informal airspace meetings to solicit information from airspace users and others concerning a proposal to revise the Class B airspace area at Seattle, WA. The purpose of these meetings is to provide interested parties an opportunity to present views, recommendations, and comments on the proposal. All comments received during

these meetings will be considered prior to any revision or issuance of a notice of proposed rulemaking.

**DATES:** The informal airspace meetings will be held on Thursday, December 9, 2010, from 6:30 p.m.–9 p.m.; Tuesday, December 14, 2010, from 6:30 p.m.–9 p.m.; and Thursday, December 16, 2010, from 6:30 p.m.–9 p.m. Comments must be received on or before January 31, 2011.

**ADDRESSES:** (1) The meeting on Thursday, December 9, 2010, will be held at Snohomish County Auditorium, 2320 California Street, Everett, WA 98201. (2) The meeting on Tuesday, December 14, 2010, will be held at the Highline Performing Arts Center, 401 South 152nd Street, Burien, WA 98148. (3) The meeting on Thursday, December 16, 2010, will be held at The Theater at Auburn Mountainview, 28900 124 Avenue South East, Auburn, WA, 98092.

*Comments:* Send comments on the proposal, in triplicate, to: Clark Desing, Manager, Operations Support Group, AJV-W2, Western Service Center, Air Traffic Organization, Federal Aviation Administration, 1601 Lind Avenue, SW., Renton WA 98057.

**FOR FURTHER INFORMATION CONTACT:** To obtain details including a graphic depiction regarding this proposal, please contact Everett Paul Delay, FAA Support Manager Seattle TRACON, Sea-Tac International Airport, 825 South 160th Street, Burien, WA 98148, (206) 214-4620.

#### SUPPLEMENTARY INFORMATION:

##### Meeting Procedures

(a) Doors open 30 minutes prior to the beginning of each meeting. The meetings will be informal in nature and will be conducted by one or more representatives of the FAA. A representative from the FAA will present a briefing on the planned modification to the Class B airspace at Seattle, WA. Each participant will be given an opportunity to deliver comments or make a presentation, although a time limit may be imposed. Only comments concerning the plan to modify the Class B airspace area at Seattle WA, will be accepted.

(b) The meetings will be open to all persons on a space-available basis. There will be no admission fee or other charge to attend and participate.

(c) Any person wishing to make a presentation to the FAA panel will be asked to sign in and estimate the amount of time needed for such presentation. This will permit the panel to allocate an appropriate amount of time for each presenter. These meetings

will not be adjourned until everyone on the list has had an opportunity to address the panel.

(d) Position papers or other handout material relating to the substance of these meetings will be accepted. Participants wishing to submit handout material should present an original and two copies (3 copies total) to the presiding officer. There should be additional copies of each handout available for other attendees.

(e) These meetings will not be formally recorded. However, a summary of comments made at the meeting will be filed in the docket.

#### Agenda for the Meetings

- Sign-in.
- Presentation of meeting procedures.
- FAA explanation of the planned Class B airspace area modifications.
- Solicitation of public comments.
- Closing comments.

Issued in Washington, DC, on September 21, 2010.

**Paul Gallant,**

*Acting Manager, Airspace and Rules Group.*

[FR Doc. 2010-24543 Filed 9-29-10; 8:45 am]

**BILLING CODE P**

## FEDERAL TRADE COMMISSION

### 16 CFR Part 321

[RIN 3084-AB18]

#### Notice of Proposed Rulemaking: Mortgage Acts and Practices – Advertising Rule

**AGENCY:** Federal Trade Commission (FTC or Commission).

**ACTION:** Notice of proposed rulemaking; request for comment.

**SUMMARY:** Pursuant to the 2009 Omnibus Appropriations Act (Omnibus Appropriations Act), as clarified by the Credit Card Accountability, Responsibility and Disclosure Act of 2009 (Credit CARD Act), the Commission issues a Notice of Proposed Rulemaking (NPRM) relating to unfair or deceptive acts and practices that may occur with regard to mortgage advertising, the Mortgage Acts and Practices (MAP) – Advertising Rule (proposed rule). The proposed rule published for comment, among other things, would prohibit any misrepresentation in any commercial communication regarding any term of any mortgage credit product; and impose recordkeeping requirements. **DATES:** Comments must be received by November 15, 2010.

**ADDRESSES:** Interested parties are invited to submit written comments