Subpart A—General Provisions

■ 2. Revise § 334.1 to read as follows:

§ 334.1 Purpose and scope.
   (a) Purpose The purpose of this part is to implement the Fair Credit Reporting Act.
   (b) Scope Except as otherwise provided in this part, the regulations in this part apply to insured state nonmember banks, state savings associations whose deposits are insured by the Federal Deposit Insurance Corporation, insured state licensed branches of foreign banks, and subsidiaries of such entities (except brokers, dealers, persons providing insurance, investment companies, and investment advisers).

■ 3. Amend § 334.3 by removing and reserving paragraphs (a), (b), (d), and (i) through (k), and adding paragraph (m) to read as follows:

§ 334.3 Definitions.
   (m) State savings association has the same meaning as in section 3(b)(3) of the Federal Deposit Insurance Act, 12 U.S.C. 1813(b)(3).

Subparts C through E [Reserved]

■ 4. Remove and reserve subparts C, D and E consisting of §§ 334.20 through 334.43.

Subpart I—Records Disposal

■ 5. Rename header for subpart I as shown above.

§ 334.82 [Removed and reserved]

■ 6. Remove and reserve § 334.82.

Subpart J—Identity Theft Red Flags

■ 7. Amend § 334.90 by revising paragraphs (a) and (b)(5) and adding paragraph (b)(11) to read as follows:

§ 334.90 Duties regarding the detection, prevention, and mitigation of identity theft.
   (a) Scope. This section applies to a financial institution or creditor that is an insured state nonmember bank, State savings association whose deposits are insured by the Federal Deposit Insurance Corporation, insured state licensed branch of a foreign bank, or a subsidiary of such entities (except brokers, dealers, persons providing insurance, investment companies, and investment advisers).
   (b) * * *
   (5) Creditor has the same meaning as in 15 U.S.C. 1681m(e)(4).
   * * * * *
   (11) State savings association has the same meaning as in section 3(b)(3) of the Federal Deposit Insurance Act, 12 U.S.C. 1813(b)(3).

§ 334.91 Duties of card issuers regarding change of address.
   (a) Scope. This section applies to an issuer of a debit or credit card (card issuer) that is an insured state nonmember bank, state savings association whose deposits are insured by the Federal Deposit Insurance Corporation, insured state licensed branch of a foreign bank, or a subsidiary of such entities (except brokers, dealers, persons providing insurance, investment companies, or investment advisers).
   (b) * * *

§ 334.91 Duties of card issuers regarding change of address.
   (a) Scope. This section applies to an issuer of a debit or credit card (card issuer) that is an insured state nonmember bank, state savings association whose deposits are insured by the Federal Deposit Insurance Corporation, insured state licensed branch of a foreign bank, or a subsidiary of such entities (except brokers, dealers, persons providing insurance, investment companies, or investment advisers).
   (b) * * *

(3) State savings association has the same meaning as in section 3(b)(3) of the Federal Deposit Insurance Act, 12 U.S.C. 1813(b)(3).

■ 9. Amend supplement A to appendix J by revising example 3 to read as follows:

Appendix J to Part 334—Interagency Guidelines on Identity Theft Detection, Prevention, and Mitigation

   * * * *

   3. A consumer reporting agency provides a notice of address discrepancy, as defined in 12 CFR 1022.82(b).
   * * * * *

PART 391—FORMER OFFICE OF THRIFT SUPERVISION REGULATIONS

■ 10. The authority citation for part 391 is revised to read as follows:


Subpart C—[Removed and Reserved]

■ 11. Remove and reserve subpart C consisting of §§ 391.20 through 391.23 and appendix to subpart C of part 391.

FEDERAL DEPOSIT INSURANCE CORPORATION

12 CFR 360

RIN 3064–AE32

Notice of Proposed Rulemaking To Revise a Section Relating to the Treatment of Financial Assets Transferred in Connection With a Securitization or Participation

AGENCY: Federal Deposit Insurance Corporation (“FDIC”).

ACTION: Notice of Proposed Rulemaking.

SUMMARY: The FDIC is proposing a rulemaking that would revise certain provisions of its securitization safe harbor rule, which relates to the treatment of financial assets transferred in connection with a securitization or participation, in order to clarify the requirements of the Securitization Safe Harbor as to the retention of an economic interest in the credit risk of securitized financial assets upon and following the effective date of the credit risk retention regulations adopted under Section 15G of the Securities Exchange Act.

DATES: Comments on the Proposed Rule must be received by March 31, 2015.

You may submit comments, identified by RIN number, by any of the following methods:


• Email: Comments@FDIC.gov. Include RIN 3064–AE32 in the subject line of the message.

• Mail: Robert E. Feldman, Executive Secretary, Attention: Comments, Federal Deposit Insurance Corporation, 550 17th Street NW., Washington, DC 20429.

• Hand Delivery/Courier: Guard station at the rear of the 550 17th Street Building (located on F Street) on business days between 7:00 a.m. and 5:00 p.m.

• Federal eRulemaking Portal: http://www.regulations.gov. Follow the instructions for submitting comments.

Instructions: All comments will be posted without change to http://www.fdic.gov/regulations/laws/federal_ including any personal information provided. Paper copies of public comments may be ordered from the Public Information Center by telephone at (877) 275–3342 or (703) 562–2200.

FOR FURTHER INFORMATION CONTACT:
 George H. Williamson, Manager, Division of Resolutions and
I. Background

The Federal Deposit Insurance Corporation (FDIC), in regulations codified at 12 CFR 360.6 (the Securitization Safe Harbor Rule), set forth criteria under which in its capacity as receiver or conservator of an insured depository institution the FDIC will not, in the exercise of its authority to repudiate contracts, recover or reclaim financial assets transferred in connection with securitization transactions. Asset transfers that, under the Securitization Safe Harbor Rule, are not subject to recovery or reclamation through the exercise of the FDIC’s repudiation authority include those that pertain to certain grandfathered transactions, such as, for example, asset transfers made prior to December 31, 2010 which satisfied the conditions (except for the legal isolation condition addressed by the Securitization Safe Harbor Rule) for sale accounting treatment under generally accepted accounting principles (GAAP) in effect for reporting periods prior to November 15, 2009 and which pertain to a securitization transaction that satisfied certain other requirements. In addition, the Securitization Safe Harbor Rule provides that asset transfers that are not grandfathered, but that satisfy the conditions (except for the legal isolation condition addressed by the Securitization Safe Harbor Rule) for sale accounting treatment under GAAP in effect for reporting periods after November 15, 2009 and that pertain to a securitization transaction that satisfies all other conditions of the Securitization Safe Harbor Rule (such asset transfers, together with grandfathered asset transfers, are referred to collectively as Safe Harbor Transfers) will not be subject to FDIC recovery or reclamation actions through the exercise of the FDIC’s repudiation authority. For any securitization transaction in respect of which transfers of financial assets do not qualify as Safe Harbor Transfers but which transaction satisfies all of its other requirements, the Securitization Safe Harbor Rule provides that, in the event the FDIC as receiver or conservator remains in monetary default for a specified period under a securitization due to its failure to pay or apply collections or repudiates the securitization asset transfer agreement and does not pay damages within a specified period, certain remedies can be exercised on an expedited basis.

Paragraph (b)(5)(i) of the Securitization Safe Harbor Rule sets forth the conditions relating to credit risk retention that apply to transfers of financial assets in connection with securitizations that are not grandfathered by the Securitization Safe Harbor Rule. Under paragraph (b)(5)(i)(A) of the Securitization Safe Harbor Rule, prior to the effective date of regulations required under Section 15G of the Securities Exchange Act, 15 U.S.C. 78a et seq. ("Section 15G") the documents governing such securitization must require that the sponsor retain an economic interest in not less than five (5) percent of the credit risk of the financial assets relating to the securitization. The requirement in paragraph (b)(5)(i)(A) of the Securitization Safe Harbor Rule, that the documents require retention of an economic interest is consistent with many other provisions of the Securitization Safe Harbor Rule, which are similarly expressed as requirements for the securitization documentation, rather than as conditions requiring actual compliance with the provision that is required to be included in the documentation. Paragraph (b)(5)(i)(B) of the Securitization Safe Harbor Rule does not explicitly refer to the securitization documentation, but provides that, upon the effective date of the regulations required under Section 15G (the Section 15G Regulations), such regulations shall exclusively govern the requirement to retain an economic interest in the credit risk of the financial assets.

Section 15G provides that regulations issued thereunder become effective with respect to residential mortgage securitizations one year after the date on which the regulations are published in the Federal Register and, with respect to all other securitizations, two years after such publication date. The Section 15G Regulations were published in the Federal Register on December 24, 2014. The Federal Register publication of the Section 15G Regulations specifies "compliance dates" that correspond to these effective dates. However, the Federal Register publication also specifies February 23, 2015 as the "effective date" of the Section 15G Regulations in accordance with Federal Register editorial conventions, which require that a Federal Register publication specify as the effective date the date on which a rule affects the current Code of Federal Regulations. The Proposed Rule is designed, in part, to eliminate any confusion that might be created by the use of "effective date" in this way and to clarify when compliance with paragraph (b)(5)(i)(B) of the Securitization Safe Harbor Rule is required.

In connection with the notice of proposed rulemaking relating to the Section 15G Regulations, FDIC staff received a comment that suggested that certain points relating to paragraph (b)(5)(i)(B) of the Securitization Safe Harbor Rule should be clarified, and in following up on the comment, the FDIC identified two points that are addressed in the Proposed Rule. The first is a clarification that paragraph (b)(5)(i)(B) was intended to require that, upon and following the effective date of the Section 15G Regulations, the Securitization Safe Harbor Rule requirements as to risk retention are satisfied if the governing documents of a securitization transaction require retention of an economic interest in the financial assets in accordance with the Section 15G Regulations, and that if the documentation satisfies this condition (and assuming all other conditions of the Securitization Safe Harbor Rule are satisfied), the transaction will not lose the benefits of the safe harbor solely on the basis of any non-compliance with the Section 15G Regulations risk retention requirements.

The second is a clarification that paragraph (b)(5)(i)(B) of the Securitization Safe Harbor Rule does not require that any action be taken with respect to issuances of asset-backed securities that close prior to the effective date of the Section 15G Regulations.

II. Discussion

In the FDIC’s view it is important to make clear to securitization market participants the date upon and after which the Securitization Safe Harbor will require reference to the Section 15G Regulations. In addition, the FDIC wants to eliminate possible confusion among market participants as to whether an asset-backed security issuance that complies with all requirements of the Securitization Safe Harbor Rule could forfeit the benefits afforded by the Securitization Safe Harbor Rule based on the action or inaction of a securitization sponsor or other party with respect to retention of credit risk following the date of such issuance. The Proposed Rule would clarify that, if the documents require compliance with the Section 15G Regulations, the benefits of the Securitization Safe Harbor Rule are not forfeited based solely upon non-compliance with these requirements. This is different from the Section 15G Regulations, under which non-compliance with the credit risk...
Proposed Rule.

The FDIC will carefully consider comments that relate to the Proposed Rule.

IV. Administrative Law Matters

A. Paperwork Reduction Act

In accordance with the Paperwork Reduction Act (44 U.S.C. 3501, et seq.) (“PRA”) the FDIC may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid Office of Management and Budget (OMB) control number. The Proposed Rule would not revise the Securitization Safe Harbor Rule information collection 3064–0177 or create any new information collection pursuant to the PRA. Consequently, no submission will be made to the Office of Management and Budget for review. The FDIC requests comment on its conclusion that this NPR does not revise the Securitization Safe Harbor Rule information collection, 3064–0177.

B. Regulatory Flexibility Act

The Regulatory Flexibility Act, 5 U.S.C. 601–612, requires an agency to provide an Initial Regulatory Flexibility Analysis with a proposed rule, unless the agency certifies that the rule would not have a significant economic impact on a substantial number of small entities. 5 U.S.C. 603–605. The FDIC hereby certifies that the Proposed Rule would not have a significant economic impact on a substantial number of small entities, as that term applies to insured depository institutions.

C. Plain Language

Section 722 of the Gramm-Leach-Bliley Act (Pub. L. 106–102, 113 Stat. 1338, 1471) requires that federal banking agencies use plain language in all proposed and final rules published after January 1, 2000. The FDIC has sought to present the Proposed Rule in a simple and straightforward manner.

List of Subjects in 12 CFR Part 360

Banks, Banking, Bank deposit insurance, Holding companies, National banks, Participations, Reporting and recordkeeping requirements, Savings associations, Securitizations.

For the reasons stated above, the Board of Directors of the Federal Deposit Insurance Corporation proposes to amend 12 CFR part 360 as follows:

PART 360—RESOLUTION AND RECEIVERSHIP RULES

1. The authority citation for Part 360 continues to read as follows:


2. Revise §360.6 paragraph (a) Definitions by adding the definition “Applicable compliance date” as (a)(1) and redesignating the remaining definitions in numerical order to read as follows:

§360.6 Treatment of financial assets transferred in connection with a securitization or participation.

(a) * * * (1) Applicable compliance date means, with respect to a securitization, the date on which compliance with Section 15G of the Securities Exchange Act, 15 U.S.C. 78a et seq., added by Section 941(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act is required with respect to that securitization.

* * * * *

3. Revise §360.6 paragraph (b)(5)(i) to read as follows:

(i) Requirements applicable to all securitizations.

(A) Prior to the applicable compliance date for regulations required under Section 15G of the Securities Exchange Act, 15 U.S.C. 78a et seq., added by Section 941(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the documents creating the securitization shall require that the sponsor retain an economic interest in a material portion, defined as not less than five (5) percent, of the credit risk of the financial assets. This retained interest may be either in the form of an interest of not less than five (5) percent in each of the credit tranches sold or transferred to the investors or in a representative sample of the securitized financial assets equal to not less than five (5) percent of the principal amount of the financial assets at transfer. This retained interest may not be sold, pledged or hedged, except for the hedging of interest rate or currency risk, during the term of the securitization.

(B) For any securitization that closes upon or following the applicable compliance date for regulations required under Section 15G of the Securities Exchange Act, 15 U.S.C. 78a et seq., added by Section 941(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the documents creating the securitization shall instead require that the financial assets equal to not less than five (5) percent of the principal amount of the financial assets at transfer.

Dated at Washington, DC, this 21st day of January, 2015.
DEPARTMENT OF THE INTERIOR
Fish and Wildlife Service

50 CFR Part 17
RIN 1018–AY98

Endangered and Threatened Wildlife and Plants; Listing the Northern Long-Eared Bat With a Rule Under Section 4(d) of the Act; Correction

AGENCY: Fish and Wildlife Service, Interior.

ACTION: Proposed rule; correction.

SUMMARY: We, the U.S. Fish and Wildlife Service (Service), published a proposed rule in the Federal Register on January 16, 2015, to set forth a species-specific rule under the authority of section 4(d) of the Endangered Species Act of 1973, as amended (Act), that provides measures that are necessary and advisable to provide for the conservation of the northern long-eared bat (Myotis septentrionalis), should we determine this species warrants listing as a threatened species under the Act. In that proposal, we provided the wrong address for the submission of hard-copy comments. With this document, we correct our error.

DATES: We will accept comments on the January 16, 2015, proposed rule that are received or postmarked on or before March 17, 2015.

ADDRESSES: You may submit comments on the January 16, 2015, proposed rule by one of the following methods:

(1) Electronically: Go to the Federal eRulemaking Portal: http://www.regulations.gov. In the Search box, enter FWS–R5–ES–2011–0024, which is the docket number for this rulemaking. You may submit a comment by clicking on “Comment Now!”

(2) By hard copy: Submit by U.S. mail or hand-delivery to: Public Comments Processing, Attn: FWS–R5–ES–2011–0024; Division of Policy and Directives Management; U.S. Fish and Wildlife Service, MS: BPHC; 5275 Leesburg Pike, Falls Church, VA 22041–3803.

We request that you send comments only by one of the methods described above. We will post all comments on http://www.regulations.gov. This generally means that we will post any personal information you provide us (for more information, see the Public Comments section of the January 16, 2015, proposed rule at 80 FR 2371).


SUPPLEMENTARY INFORMATION: In a proposed rule that published in the Federal Register on January 16, 2015, at 80 FR 2371, the ADDRESSES section provided the wrong address for the submission of hard-copy comments. The corrected ADDRESSES section appears above.

Dated: January 27, 2015.

Tina A. Campbell,
Chief, Division of Policy and Directives Management.