

the Call Report while other institutions continue to report such HELOCs as open-end loans, the agencies propose that institutions report all HELOCs that convert to closed-end status on or after January 1, 2021, as open-end loans in Schedule RC–C, Part I, item 1.c.(1). An institution that currently reports HELOCs that have converted to non-revolving closed-end status as open-end loans in Schedule RC–C, Part I, item 1.c.(1), should not change its reporting practice for these loans and should continue to report these loans in item 1.c.(1) regardless of their conversion date. An institution that currently reports HELOCs that convert to non-revolving closed-end status as closed-end loans in Schedule RC–C, Part I, item 1.c.(2)(a) or 1.c.(2)(b), as appropriate, may continue to report HELOCs that convert on or before December 31, 2020, as closed-end loans in Call Reports for report dates after that date. Alternatively, the institution may choose to begin reporting some or all of these closed-end HELOCs as open-end loans in item 1.c.(1) as of the March 31, 2020, or any subsequent report date, provided this reporting treatment is consistently applied. With respect to HELOC Flex products, the proposed reporting treatment described above would mean that amounts drawn on a HELOC during its draw period that a borrower converts to a closed-end amount before the end of this period also should be reported as open-end loans in Schedule RC–C, Part I, item 1.c.(1), subject to the transition guidance above.

The agencies also agree with commenters' suggestion to create a memorandum item in Schedule RC–C, Part I, in which institutions would report the amount of HELOCs that have converted to non-revolving closed-end status that are included in item 1.c.(1), "Revolving, open-end loans secured by 1–4 family residential properties and extended under lines of credit." This new Memorandum item 16 in Schedule RC–C, Part I, would enable the agencies to monitor the proportion of an institution's home equity credits in revolving and non-revolving status and changes therein and assess whether changes in this proportion in relation to changes in past due and nonaccrual home equity credits and charge-offs and recoveries of such credits warrant supervisory follow-up. Memorandum item 16 would be collected quarterly in the FFIEC 031 and the FFIEC 041 Call Reports and semiannually as of June 30 and December 31 in the FFIEC 051 Call Report. To provide time needed for any systems changes, the agencies propose

to implement this new memorandum item as of the March 31, 2021, report date in the FFIEC 031 and the FFIEC 041 Call Reports and as of the June 30, 2021, report date in the FFIEC 051 Call Report.

### III. Timing

As stated in their October 2019 notice, the agencies plan to make the capital-related reporting changes described in Sections II.B. through II.G. effective the same quarters as the effective dates of the various final capital rules discussed in this notice. Thus, the reporting revisions to the Call Report and the FFIEC 101, as applicable, would take effect March 31, 2020, for the capital simplifications rule, the community bank leverage ratio rule, and the tailoring final rule. In this regard, the filing of the FFIEC 031 Call Report by all institutions that are advanced approaches institutions under the tailoring final rule and the filing of the FFIEC 031 or FFIEC 041 Call Report by institutions considered Category III institutions under this rule would take effect as of March 31, 2020. Non-advanced approaches institutions may elect to wait to adopt the capital simplifications rule for reporting purposes until the June 30, 2020, report date. The reporting revisions to the Call Report and the FFIEC 101, as applicable, would take effect June 30, 2020, for the custodial bank supplementary leverage ratio final rule, the standardized approach for counterparty credit risk on derivative contracts final rule, and the high volatility commercial real estate exposures final rule. However, the mandatory compliance date for reporting in accordance with the standardized approach for counterparty credit risk final rule is the March 31, 2022, report date.

In addition, the reporting of operating lease liabilities as "All other liabilities" in Call Report Schedule RC–G would take effect March 31, 2020, and the change in the reporting of construction, land development, and other land loans with interest reserves in Call Report Schedule RC–C, Part I, would take effect March 31, 2021. The requirement to continue reporting HELOCs that convert to closed-end status as open-end loans in Schedule RC–C, Part I, would apply to those HELOCs that convert on or after January 1, 2021, with pre-2021 conversions subject to the transition guidance described in Section II.I. above; new Memorandum item 16 in Schedule RC–C, Part I, for HELOCs in non-revolving closed-end status that are reported as open-end loans would take effect March 31, 2021, in the FFIEC 031 and the FFIEC 041 Call Reports and

June 30, 2021, in the FFIEC 051 Call Report.

The specific wording of the captions for the new or revised Call Report data items discussed in this notice and the numbering of these data items should be regarded as preliminary.

### IV. Request for Comment

Public comment is requested on all aspects of this joint notice. Comment is specifically invited on:

(a) Whether the proposed revisions to the collections of information that are the subject of this notice are necessary for the proper performance of the agencies' functions, including whether the information has practical utility;

(b) The accuracy of the agencies' estimates of the burden of the information collections as they are proposed to be revised, including the validity of the methodology and assumptions used;

(c) Ways to enhance the quality, utility, and clarity of the information to be collected;

(d) Ways to minimize the burden of information collections on respondents, including through the use of automated collection techniques or other forms of information technology; and

(e) Estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

Comments submitted in response to this joint notice will be shared among the agencies.

Dated: January 21, 2020.

**Theodore J. Dowd,**

*Deputy Chief Counsel, Office of the Comptroller of the Currency.*

Board of Governors of the Federal Reserve System, January 21, 2020.

**Ann E. Misback,**

*Secretary of the Board.*

Federal Deposit Insurance Corporation.

Dated at Washington, DC, on January 21, 2020.

**Annamarie H. Boyd,**

*Assistant Executive Secretary.*

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## DEPARTMENT OF THE TREASURY

### Financial Crimes Enforcement Network

#### Agency Information Collection Activities; Proposed Renewal; Comment Request; Renewal Without Change of the Registration of Money Services Businesses Regulation and FinCEN Form 107

**AGENCY:** Financial Crimes Enforcement Network ("FinCEN"), Treasury.

**ACTION:** Notice and request for comments.

**SUMMARY:** As part of its continuing effort to reduce paperwork and respondent burden, FinCEN invites comments on the proposed renewal, without change, to a currently approved information collection regarding registration of money services businesses regulations and FinCEN Form 107—Registration of Money Services Business (“RMSB”). Money services businesses (“MSBs”) must register with FinCEN using FinCEN Form 107, renew their registration every two years, and maintain a list of their agents. This request for comments is made pursuant to the Paperwork Reduction Act of 1995.

**DATES:** Written comments are welcome and must be received on or before March 27, 2020.

**ADDRESSES:** Comments may be submitted by any of the following methods:

- *Federal E-rulemaking Portal:* <http://www.regulations.gov>. Follow the instructions for submitting comments. Refer to Docket Number FINCEN–2019–0008 and the Office of Management and Budget (“OMB”) control number 1506–0013.

- *Mail:* Policy Division, Financial Crimes Enforcement Network, P.O. Box 39, Vienna, VA 22183. Refer to Docket Number FINCEN–2019–0008 and OMB control number 1506–0013.

Please submit comments by one method only. All comments submitted in response to this notice will become a matter of public record. Therefore, you should submit only information that you wish to make publicly available.

**FOR FURTHER INFORMATION CONTACT:** The FinCEN Resource Center at 800–767–2825 or electronically at [frc@fincen.gov](mailto:frc@fincen.gov).

**SUPPLEMENTARY INFORMATION:**

**I. Statutory and Regulatory Provisions**

FinCEN exercises regulatory functions under the Currency and Financial Transactions Reporting Act of 1970, as amended by the USA PATRIOT Act of 2001 and other legislation. This legislative framework is commonly referred to as the Bank Secrecy Act (“BSA”).<sup>1</sup> The Secretary of the Treasury has delegated to the Director of FinCEN the authority to implement, administer, and enforce compliance with the BSA and associated regulations.<sup>2</sup> Pursuant to

this authority, FinCEN may issue regulations requiring financial institutions to keep records and file reports that “have a high degree of usefulness in criminal, tax, or regulatory investigations or proceedings, or in the conduct of intelligence or counterintelligence activities, including analysis, to protect against international terrorism.”<sup>3</sup>

Under 31 U.S.C. 5330 and its implementing regulation (31 CFR 1022.380), MSBs<sup>4</sup> must file an initial registration form with FinCEN, renew their registration every two years, re-register under certain circumstances, and maintain a list of their agents.

**Registration**

Each MSB, with a few exceptions, must register with the FinCEN. The information required by 31 U.S.C 5330 and any other information required by FinCEN Form 107 must be reported in the manner and to the extent required by the form.<sup>5</sup> The registration form for the initial registration period must be filed on or before the end of the 180-day period beginning on the day following the date the business is established. MSBs must renew their registration every two years, on or before December 31. MSBs must re-register with FinCEN not later than 180 days after the following: change in ownership, transfer of 10 percent voting or equity interest, or 50 percent increase in agents.<sup>6</sup> MSBs must maintain a copy of any registration form filed under 31 CFR 1022.380 at a location in the United States for a period of five years.

**Maintenance of an Agent List**

A person that is an MSB solely because that person serves as an agent of another MSB is not required to register.<sup>7</sup> However, MSBs are required to prepare and maintain a list of their agents.<sup>8</sup> The list must be revised each January 1, for the immediately preceding 12-month period. The list is not filed with the registration form, but must be maintained at the location in the United States, reported on the registration form. Upon request, MSBs must make the list of agents available to FinCEN, any appropriate law enforcement agency, or the Internal

Revenue Service for its delegated examination authority.

The information collected and retained under the regulations addressed in this notice assists Federal, state, and local law enforcement, as well as regulatory authorities, in the identification, investigation, and prosecution of money laundering and other matters. The collection of information is mandatory.

**II. Paperwork Reduction Act (“PRA”)<sup>9</sup>**

*Title:* Registration of Money Services Businesses (31 CFR 1022.380).

*OMB Number:* 1506–0013.

*Form Number:* FinCEN Form 107—Registration of Money Services Business (RMSB).

*Abstract:* FinCEN is issuing this notice to renew the OMB control number for the Registration of Money Services Businesses regulation and FinCEN Form 107 (RMSB).

*Type of Review:* Renewal without change of a currently approved information collection.

*Affected public:* Business or other for-profit institutions.

**Initial Registration**

*Frequency:* As required.

*Estimated Burden per Respondent:* FinCEN estimates that the hourly burden of filing and maintaining a copy of the initial RMSB form is 1 hour and 10 minutes. (1 hour to fill out the form and file it, and 10 minutes to save the form electronically and print out a copy to maintain). FinCEN stipulates that the information required to be included on the form is basic information MSBs need to maintain to conduct business. The e-filing system prompts MSBs to save the registration form after submission.

*Estimated Number of Respondents:* 3,478 MSBs.<sup>10</sup>

*Estimated Total Annual Burden Hours:* 4,058 hours.<sup>11</sup>

**Registration Renewal**

*Frequency:* Every two years.

*Estimated Burden per Respondent:* FinCEN estimates that the hourly burden of filing and maintaining a copy of the renewal of the RMSB form is 40 minutes (30 minutes to revise the form and file it, and 10 minutes to save the form electronically and print out a copy to maintain). FinCEN stipulates that the information required to be included on

<sup>1</sup> The BSA, Titles I and II of Public Law 91–508, as amended, codified at 12 U.S.C. 1829b, 12 U.S.C. 1951–1959, and 31 U.S.C. 5311–5314 and 5316–5332 and notes thereto, with implementing regulations at 31 CFR Chapter X. See 31 CFR 1010.100(e).

<sup>2</sup> Treasury Order 180–01 (Jul. 1, 2014).

<sup>3</sup> 31 U.S.C. 5311.

<sup>4</sup> See 31 CFR 1010.100(ff).

<sup>5</sup> See Registration of Money Services Business (RMSB) Electronic Filing Instructions. Release Date July 2014—Version 1.0. [https://www.fincen.gov/sites/default/files/shared/FinCENRMSB\\_ElectronicFilingInstructions.pdf](https://www.fincen.gov/sites/default/files/shared/FinCENRMSB_ElectronicFilingInstructions.pdf).

<sup>6</sup> See 31 CFR 1022.380(b)(4).

<sup>7</sup> See 31 CFR 1022.380(a)(3).

<sup>8</sup> See 31 CFR 1022.380(d).

<sup>9</sup> Public Law 104–13, 44 U.S.C. 3506(c)(2)(A).

<sup>10</sup> FinCEN looked at the number of initial RMSBs filed in each of the calendar years 2015 through 2019. The average number of initial filings for the period of five years is 3,478.

<sup>11</sup> 3,478 MSBs multiplied by 70 minutes and converted to hours is 4,058 hours.

the form is basic information MSBs need to maintain to conduct business. In addition, FinCEN's e-filing system allows MSBs to open a previously filed RMSB form and the electronic form is pre-populated with the information from the prior filing. MSBs can amend Part I by selecting item 1b (renewal) and submit the form. MSBs can update any information required on the form prior to submitting the form electronically. The e-filing system prompts MSBs to save the registration form after submission.

*Estimated Number of Respondents:* 8,678 MSBs.<sup>12</sup>

*Estimated Total Annual Burden Hours:* 5,785 hours.<sup>13</sup>

#### Re-Registration

*Frequency:* As required.

*Estimated Burden per Respondent:* FinCEN estimates that the hourly burden of filing and maintaining a copy of the re-registration of the RMSB form is 40 minutes (30 minutes to revise the form and file it, and 10 minutes to save the form electronically and print out a copy to maintain). FinCEN stipulates that the information required to be included on the form is basic information MSBs need to maintain to conduct business. In addition, FinCEN's e-filing system allows MSBs to open a previously filed RMSB form and the electronic form is pre-populated with the information from the prior filing. MSBs can amend Part I by selecting item 1d (re-registration) and selecting the appropriate response in item 2.

<sup>12</sup> FinCEN looked at the number of RMSB renewals filed in each of the calendar years 2015 through 2019. The average number of renewals for the period of five years is 8,678.

<sup>13</sup> 8,678 MSBs multiplied by 40 minutes and converted to hours equals 5,785 hours.

MSBs can amend the applicable information required on the form and submit it electronically. The e-filing system prompts MSBs to save the registration form after submission.

*Estimated Number of Respondents:* 225 MSBs.<sup>14</sup>

*Estimated Total Annual Burden Hours:* 150 hours.<sup>15</sup>

#### Maintenance of Agent List

*Frequency:* Annually.

*Estimated Burden:* FinCEN estimates that the hourly burden of drafting an agent list and revising it annually is 30 minutes per MSB. FinCEN stipulates that the information required to be included on an agent list is basic information MSBs need to maintain to conduct business. FinCEN does not require the MSB to maintain the list in any particular format; therefore, the MSB can leverage its business records to create and revise the list.

*Estimated Number of Respondents:* 24,027.<sup>16</sup>

*Estimated Total Annual Burden Hours:* 12,014 hours.<sup>17</sup>

*Grand Total Annual Burden Hours for this Information Collection:* 22,007 hours.<sup>18</sup>

<sup>14</sup> FinCEN looked at the number of RMSBs re-registered in each of the calendar years 2015 through 2019. The average number of re-registrations for the period of five years is 225.

<sup>15</sup> 225 MSBs multiplied by 40 minutes and converted to hours is 150 hours.

<sup>16</sup> FinCEN looked at the total number of active MSB registration forms as of December 1 for each of the calendar years 2015 through 2019. This includes active registration forms for initial filings, renewals, and re-registrations. The average number of MSBs registered on December 1 for the period of five years is 24,027.

<sup>17</sup> 24,027 MSBs multiplied by 30 minutes and converted to hours is 12,014 hours.

<sup>18</sup> The grand total annual burden hours for this information collection represents the total annual

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number. Records required to be retained under the BSA must be retained for five years. Generally, information collected pursuant to the BSA is confidential, but may be shared as provided by law with regulatory and law enforcement authorities.

*Request for Comments:* Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval. All comments will become a matter of public record. Comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology; and (e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

#### Jamal El-Hindi,

*Deputy Director, Financial Crimes Enforcement Network.*

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burden hours to file initial RMSBs, renewals, and re-registrations, and to maintain agent lists (4,058 + 5,785 + 150 + 12,014 = 22,007).