

SUPPLEMENTARY INFORMATION: The RERC was established to advise TVA on its energy resource activities and the priorities among competing objectives and values. The RRSC was established to advise TVA on its natural resource and stewardship activities, and the priorities among competing objectives and values. The RRSC and RERC are discretionary advisory committees established under the authority of the Tennessee Valley Authority (TVA) in accordance with the provisions of the Federal Advisory Committee Act (FACA), as amended, 5 U.S.C. 10.

The meeting agenda includes the following:

January 18

1. Welcome and Introductions
2. TVA Leadership Update
3. Valley Pathways Study presentation
4. Review and discuss Advice Questions
5. Public Listening Session
6. Finalize Advice Statements

The DFO of the Tennessee Valley Authority and Vice President of External Strategy and Regulatory Oversight, Melanie Farrell, having review and approved this document, is delegating the authority to sign this document to Bekim Haliti, Specialist of Valley Alliances for publication in the **Federal Register**.

Dated: December 18, 2023.

Bekim Haliti,

Specialist, Valley Alliances, Tennessee Valley Authority.

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DEPARTMENT OF THE TREASURY

Office of the Comptroller of the Currency

FEDERAL RESERVE SYSTEM

FEDERAL DEPOSIT INSURANCE CORPORATION

Proposed Agency Information Collection Activities; Comment Request

AGENCY: Office of the Comptroller of the Currency (OCC), Treasury; Board of Governors of the Federal Reserve System (Board); and Federal Deposit Insurance Corporation (FDIC).

ACTION: Joint notice and request for comment.

SUMMARY: In accordance with the requirements of the Paperwork Reduction Act of 1995 (PRA), the OCC, the Board, and the FDIC (the agencies) may not conduct or sponsor, and the

respondent is not required to respond to, an information collection unless it displays a currently valid Office of Management and Budget (OMB) control number. The Federal Financial Institutions Examination Council (FFIEC), of which the agencies are members, has approved the agencies' publication for public comment of a proposal to revise and extend for three years the Consolidated Reports of Condition and Income (Call Reports) (FFIEC 031, FFIEC 041, and FFIEC 051), which are currently approved collections of information. The FFIEC has also approved the Board's publication for public comment, on behalf of the agencies, of a proposal to revise and extend for three years the Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks (FFIEC 002), and the Report of Assets and Liabilities of a Non-U.S. Branch that is Managed or Controlled by a U.S. Branch or Agency of a Foreign (Non-U.S.) Bank (FFIEC 002S), which are also currently approved collections of information. The agencies are requesting comment on proposed revisions to the Call Report forms and instructions, and the FFIEC 002, as applicable, that include the revision and addition of certain new data items related to the reporting on loans to nondepository financial institutions (NDFIs) and other loans, guaranteed structured financial products, and proposed long-term debt requirements. In addition, the agencies are seeking comment on a proposal to adopt ongoing standards for electronic signatures to comply with the Call Report signature and attestation requirement. The revisions are proposed to take effect with the June 30, 2024, report date, except for those related to the proposed long-term debt requirements which would take effect for the first report date at or following the effective date of any final rule.

DATES: Comments must be submitted on or before February 26, 2024.

ADDRESSES: Interested parties are invited to submit written comments to any or all of the agencies. All comments will be shared among the agencies.

OCC: You may submit comments, which should refer to "Call Report and FFIEC 002 Revisions," by any of the following methods:

- *Email:* prainfo@occ.treas.gov.
- *Mail:* Chief Counsel's Office, Office of the Comptroller of the Currency, Attention: 1557-0081, 400 7th Street SW, Suite 3E-218, Washington, DC 20219.
- *Hand Delivery/Courier:* 400 7th Street SW, Suite 3E-218, Washington, DC 20219.

- *Fax:* (571) 293-4835.

Instructions: You must include "OCC" as the agency name and "1557-0081" in your comment. In general, the OCC will publish comments on www.reginfo.gov without change, including any business or personal information provided, such as name and address information, email addresses, or phone numbers. Comments received, including attachments and other supporting materials, are part of the public record and subject to public disclosure. Do not include any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

You may review comments and other related materials that pertain to this information collection beginning on the date of publication of the second notice for this collection by the following method:

- *Viewing Comments Electronically:* Go to www.reginfo.gov. Hover over the "Information Collection Review" tab and click on "Information Collection Review" from the drop-down menu. From the "Currently under Review" drop-down menu, select "Department of Treasury" and then click "submit." This information collection can be located by searching OMB control number "1557-0081." Upon finding the appropriate information collection, click on the related "ICR Reference Number." On the next screen, select "View Supporting Statement and Other Documents" and then click on the link to any comment listed at the bottom of the screen.

- For assistance in navigating www.reginfo.gov, please contact the Regulatory Information Service Center at (202) 482-7340.

Board: You may submit comments, which should refer to "Call Report and FFIEC 002 Revisions," by any of the following methods:

- *Agency Website:* <http://www.federalreserve.gov>. Follow the instructions for submitting comments at: <http://www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm>.

- *Email:* regs.comments@federalreserve.gov. Include "Call Report and FFIEC 002 Revisions" in the subject line of the message.

- *Fax:* (202) 395-6974.

- *Mail:* Ann E. Misback, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue NW, Washington, DC 20551.

All public comments are available on the Board's website at <https://www.federalreserve.gov/apps/foia/proposedregs.aspx> as submitted, unless modified for technical reasons.

Accordingly, your comments will not be edited to remove any identifying or contact information.

FDIC: You may submit comments, which should refer to “Call Report and FFIEC 002 Revisions,” by any of the following methods:

- **Agency Website:** <https://www.fdic.gov/resources/regulations/federal-register-publications/>. Follow the instructions for submitting comments on the FDIC’s website.
- **Email:** comments@FDIC.gov. Include “Call Report and FFIEC 002 Revisions” in the subject line of the message.
- **Mail:** Manuel E. Cabeza, Counsel, Attn: Comments, Room MB–3128, Federal Deposit Insurance Corporation, 550 17th Street NW, Washington, DC 20429.
- **Hand Delivery:** Comments may be hand-delivered to the guard station at the rear of the 550 17th Street NW building (located on F Street NW) on business days between 7 a.m. and 5 p.m.

- **Public Inspection:** All comments received, including any personal information provided, will be posted without change to <https://www.fdic.gov/resources/regulations/federal-register-publications/>. Commenters should submit only information that the commenter wishes to make available publicly. The FDIC may review, redact, or refrain from posting all or any portion of any comment that it may deem to be inappropriate for publication, such as irrelevant or obscene material. The FDIC may post only a single representative example of identical or substantially identical comments, and in such cases will generally identify the number of identical or substantially identical comments represented by the posted example. All comments that have been redacted, as well as those that have not been posted, that contain comments on the merits of this document will be retained in the public comment file and will be considered as required under all applicable laws. All comments may be accessible under the Freedom of Information Act.

Additionally, commenters may send a copy of their comments to the OMB desk officer for the agencies by mail to the Office of Information and Regulatory Affairs, U.S. Office of Management and Budget, New Executive Office Building, Room 10235, 725 17th Street NW, Washington, DC 20503; by fax to (202) 395–6974; or by email to oira_submission@omb.eop.gov.

FOR FURTHER INFORMATION CONTACT: For further information about the proposed revisions to the information collections discussed in this notice, please contact

any of the agency staff whose names appear below. In addition, copies of the report forms for the Call Reports and the FFIEC 002 can be obtained at the FFIEC’s website (https://www.ffiec.gov/ffiec_report_forms.htm).

OCC: Kevin Korzeniewski, Counsel, Chief Counsel’s Office, (202) 649–5490. If you are deaf, hard of hearing, or have a speech disability, please dial 7–1–1 to access telecommunications relay services.

Board: Nuha Elmaghrabi, Federal Reserve Board Clearance Officer, (202) 452–3884, Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, 20th and C Streets NW, Washington, DC 20551. Telecommunications Device for the Deaf (TDD) users may call (202) 263–4869.

FDIC: Manuel E. Cabeza, Counsel, (202) 898–3767, Legal Division, Federal Deposit Insurance Corporation, 550 17th Street NW, Washington, DC 20429.

SUPPLEMENTARY INFORMATION:

I. Affected Reports

The proposed changes discussed below affect the Call Reports and the FFIEC 002.

A. Call Report

The agencies propose to extend for three years, with revision, their information collections associated with the FFIEC 031, FFIEC 041, and FFIEC 051 Call Reports.

Report Title: Consolidated Reports of Condition and Income (Call Report).

Form Number: FFIEC 031 (Consolidated Reports of Condition and Income for a Bank with Domestic and Foreign Offices), FFIEC 041 (Consolidated Reports of Condition and Income for a Bank with Domestic Offices Only), and FFIEC 051 (Consolidated Reports of Condition and Income for a Bank with Domestic Offices Only and Total Assets Less Than \$5 Billion).

Frequency of Response: Quarterly.
Affected Public: Business or other for-profit.

Type of Review: Revision and extension of currently approved collections.

OCC

OMB Control No.: 1557–0081.
Estimated Number of Respondents: 1,014 national banks and federal savings associations.

Estimated Average Burden per Response: 40.85 burden hours per quarter to file.

Estimated Total Annual Burden: 165,688 burden hours to file.

Board

OMB Control No.: 7100–0036.

Estimated Number of Respondents: 708 state member banks.

Estimated Average Burden per Response: 44.33 burden hours per quarter to file.

Estimated Total Annual Burden: 125,543 burden hours to file.

FDIC

OMB Control No.: 3064–0052.
Estimated Number of Respondents: 2,975 insured state nonmember banks and state savings associations.

Estimated Average Burden per Response: 38.94 burden hours per quarter to file.

Estimated Total Annual Burden: 463,386 burden hours to file.

The estimated average burden hours collectively reflect the estimates for the FFIEC 031, the FFIEC 041, and the FFIEC 051 reports for each agency.

When the estimates are calculated by type of report across the agencies, the estimated average burden hours per quarter are 85.88 (FFIEC 031), 54.79 (FFIEC 041), and 34.49 (FFIEC 051). The changes to the Call Report forms and instructions proposed in this notice would result in an estimated increase in burden hours per quarter for the FFIEC 031 of 1.35 hours, FFIEC 041 of 0.19 hours, and FFIEC 051 of 0.08 hours. The estimated burden per response for the quarterly filings of the Call Report is an average that varies by agency because of differences in the composition of the institutions under each agency’s supervision (e.g., size distribution of institutions, types of activities in which they are engaged, and existence of foreign offices).

Type of Review: Extension and revision of currently approved collections. In addition to the proposed revisions discussed below, Call Reports are periodically updated to clarify instructional guidance and correct grammatical and typographical errors on the forms and instructions, which are published on the FFIEC website.¹ These non-substantive updates may also be commented upon.

Legal Basis and Need for Collections

The Call Report information collections are mandatory: 12 U.S.C. 161 (national banks), 12 U.S.C. 324 (state member banks), 12 U.S.C. 1817 (insured state nonmember commercial and savings banks), and 12 U.S.C. 1464 (federal and state savings associations). At present, except for selected data items and text, these information collections are not given confidential treatment.

¹ www.ffiec.gov/forms031.htm; www.ffiec.gov/forms041.htm; www.ffiec.gov/forms051.htm.

Banks and savings associations submit Call Report data to the agencies each quarter for the agencies' use in monitoring the condition, performance, and risk profile of individual institutions and the industry as a whole. Call Report data serve a regulatory or public policy purpose by assisting the agencies in fulfilling their shared missions of ensuring the safety and soundness of financial institutions and the financial system and protecting consumer financial rights, as well as agency-specific missions affecting federal and state-chartered institutions, such as conducting monetary policy, ensuring financial stability, and administering federal deposit insurance. Call Reports are the source of the most current statistical data available for identifying areas of focus for on-site and off-site examinations. Among other purposes, the agencies use Call Report data in evaluating institutions' corporate applications, including interstate merger and acquisition applications for which the agencies are required by law to determine whether the resulting institution would control more than 10 percent of the total amount of deposits of insured depository institutions in the United States. Call Report data also are used to calculate the risk-based assessments for insured depository institutions.

B. FFIEC 002 and 002S

The Board proposes to extend for three years, with revision, the FFIEC 002 and FFIEC 002S reports.

Report Titles: Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks; Report of Assets and Liabilities of a Non-U.S. Branch that is Managed or Controlled by a U.S. Branch or Agency of a Foreign (Non-U.S.) Bank.

Form Numbers: FFIEC 002; FFIEC 002S.

OMB Control Number: 7100-0032.

Frequency of Response: Quarterly.

Affected Public: Business or other for-profit.

Respondents: All state-chartered or federally-licensed U.S. branches and agencies of foreign banking organizations, and all non-U.S. branches managed or controlled by a U.S. branch or agency of a foreign banking organization.

Estimated Number of Respondents: FFIEC 002—183; FFIEC 002S—18.

Estimated Average Burden per Response: FFIEC 002—24.67 hours; FFIEC 002S—6.0 hours.

Estimated Total Annual Burden: FFIEC 002—18,058 hours; FFIEC 002S—432 hours.

Type of Review: Extension and revision of currently approved collections.

The proposed revisions to the FFIEC 002 instructions in this notice would not have a material impact on the existing burden estimates.

Legal Basis and Need for Collection

On a quarterly basis, all U.S. branches and agencies of foreign banks are required to file the FFIEC 002, which is a detailed report of condition with a variety of supporting schedules. This information is used to fulfill the supervisory and regulatory requirements of the International Banking Act of 1978. The data also are used to augment the bank credit, loan, and deposit information needed for monetary policy and other public policy purposes. In addition, FFIEC 002 data are used to calculate the risk-based assessments for FDIC-insured U.S. branches of foreign banks. The FFIEC 002S is a supplement to the FFIEC 002 that collects information on assets and liabilities of any non-U.S. branch that is managed or controlled by a U.S. branch or agency of the foreign bank. A non-U.S. branch is managed or controlled by a U.S. branch or agency if a majority of the responsibility for business decisions, including but not limited to decisions with regard to lending or asset management or funding or liability management, or the responsibility for recordkeeping in respect of assets or liabilities for that foreign branch resides at the U.S. branch or agency. A separate FFIEC 002S must be completed for each managed or controlled non-U.S. branch. The FFIEC 002S must be filed quarterly along with the U.S. branch or agency's FFIEC 002.

These information collections are mandatory (12 U.S.C. 1817(a)(1) and (3), 3102(b), and 3105(c)(2)). Except for select sensitive items, the FFIEC 002 is not given confidential treatment; the FFIEC 002S is given confidential treatment (5 U.S.C. 552(b)(4) and (8)). The data from both reports are used for (1) monitoring deposit and credit transactions of U.S. residents; (2) monitoring the impact of policy changes; (3) analyzing structural issues concerning foreign bank activity in U.S. markets; (4) understanding flows of banking funds and indebtedness of developing countries in connection with data collected by the International Monetary Fund and the Bank for International Settlements that are used in economic analysis; and (5) assisting in the supervision of U.S. offices of foreign banks. The Federal Reserve System collects and processes these reports on behalf of all three agencies.

II. Current Actions

A. Loans to Nondepository Financial Institutions

1. Background

Loans to NDFIs have increasingly played an essential role in the financial system. NDFIs include a wide range of counterparties including insurance companies, mortgage companies, private equity funds, hedge funds, broker-dealers, real estate investment trusts (REITs), marketplace lenders, special purpose entities, and other financial vehicles. Currently, data on loans to NDFIs is collected on Schedule RC-C, Part I, Loans and Leases, item 9.a. "Loans to nondepository financial institutions."

Since this item was added in 2010, institutions have increased direct lending exposure to NDFIs. In March 2010, loans to NDFIs reported in this item totaled approximately \$56 billion and represented only 0.8 percent of gross loans reported by respondents. However, in June 2023, the reported amount of loans to NDFIs increased significantly to almost \$786 billion and represented 6.4 percent of respondents' total loan exposure. Notwithstanding this increase in NDFI credit risk, current Call Report forms and instructions do not provide granularity on specific NDFI exposure, such as direct and off-balance sheet exposure, data on NDFI exposure in non-domestic offices, or NDFI loan performance data (e.g., nonaccrual and past due status). Further, the agencies have observed inconsistency in NDFI exposure reporting among industry filers.

2. Call Report Proposed Revisions

The agencies are proposing to update the Call Report forms and instructions to increase the granularity in reporting exposure to NDFIs and to improve reporting consistency. These proposed revisions would enhance the understanding of NDFI exposure, risks, and performance trends. The revisions would group together loan exposures that exhibit similar underlying risk characteristics while addressing the diversity in practice on the reporting of these loans that exists today. In addition, the proposed granular reporting would allow for more accurate analysis of bank financial statements for applicable institutions and performance metrics. These revisions and clarifications are proposed to be effective as of the June 30, 2024, report date.

The specific proposed revisions and clarifications impacting the three report forms are as follows:

Schedule RC–C, Part I, Loans and Leases

■ For all three Call Reports, to ensure consistent reporting on loans to NDFIs, the instructions for item 9.a, “Loans to nondepository financial institutions” would be updated to include additional detail on the types of loans that should be reported in this line item. In addition, the instructions would be revised to include in the amounts reported in this item all loans to brokers and dealers in securities and loans to investment firms and mutual funds. These loans were previously included in item 9.b (FFIEC 051) or in item 9.b.(1) (FFIEC 031 and FFIEC 041), as noted below.

■ On the FFIEC 051, item 9.b, “Other loans,” and on the FFIEC 031 and FFIEC 041, item 9.b.(1), “Loans for purchasing or carrying securities (secured and unsecured),” the instructions would be revised to exclude from the amounts reported in this item all loans to brokers and dealers in securities and loans to investment firms and mutual funds. These loans would be reported under the new NDFI definition in item 9.a, “Loans to nondepository financial institutions.”

■ On the FFIEC 051, item 9.b, “Other loans,” and on the FFIEC 031 and FFIEC 041 reports, item 9.b.(1), “Loans for purchasing or carrying securities (secured and unsecured),” the instructions would also be revised to include in the amounts reported in this item all margin loans, including securities-based loans and non-purpose margin loans. In addition, this item description on the FFIEC 031 and FFIEC 041 report forms would be revised to “Loans for purchasing or carrying securities, including margin loans.”

■ For the FFIEC 031 and FFIEC 041, Memorandum item 10 (currently “not applicable”) would be renamed “Loans to nondepository financial institutions” and would include the following subitems, as defined in the instructions for Schedule RC–C, Part I, item 9.a, to capture direct lending exposures to NDFIs: 10.a, “Loans to mortgage credit intermediaries;” 10.b, “Loans to business credit intermediaries;” 10.c, “Loans to private equity funds;” 10.d, “Loans to consumer credit intermediaries;” and 10.e, “Other loans to nondepository financial institutions.” The sum of subitems 10.a through 10.e would equal Schedule RC–C, Part I, item 9.a. These items would only be collected from institutions with \$10 billion or more in total assets.

■ For the FFIEC 031 only, item 9, “Loans to nondepository financial institutions and other loans,” additional subitems 9.a, 9.b.1, and 9.b.2 (Column

A) would be added to collect data at the consolidated bank level that would be in addition to the exposure currently captured for those items in domestic offices only (Column B). In addition, item 9, “Loans to nondepository financial institutions and other loans,” column A, would no longer be reported as an aggregate amount.

Schedule RC–L, “Derivatives and Off-Balance Sheet Items”

■ For all three report forms, the subitems for item 1.e, “Other unused commitments” would be revised to include the collection of data on both depository financial institutions and NDFIs. Specifically, subitem 1.e.(2), “Loans to financial institutions” would be changed to “Loans to depository financial institutions.” Subitem 1.e.(3), would be renamed “Loans to nondepository financial institutions” and would collect data on unused commitments for loans to nondepository financial institutions. The existing subitem 1.e.(3), “All other unused commitments,” would be renumbered to item 1.e.(4).

■ For the FFIEC 031 and FFIEC 041, item 1.e.(3), “Loans to nondepository financial institutions,” would include five subitems with the same five categories as the new subitems listed for Schedule RC–C, Part I, Memorandum item 10 above. The sum of these subitems 1.e.(3)(a) through 1.e.(3)(e) would equal the amount reported in Schedule RC–L, item 1.e.(3). These items would only be collected from institutions with \$10 billion or more in total assets.

Schedule RC–N, “Past Due and Nonaccrual Loans, Leases, and Other Assets”

■ For the FFIEC 041 and the FFIEC 051, Memorandum item 9 would be renamed, “Loans to nondepository financial institutions included in Schedule RC–N, item 7” and would capture past due and nonaccrual information for NDFIs in columns A through C.

■ For the FFIEC 031 only, Memorandum item 9, would also be renamed, “Loans to nondepository financial institutions included in Schedule RC–N, item 7” to capture past due and nonaccrual information for NDFIs. However, institutions would report amounts in Memorandum item 9.a, “To U.S. nondepository financial institutions” and Memorandum item 9.b, “To foreign nondepository institutions” in columns A through C.

Question 1: Is the granularity of the proposed subcategories appropriate or are there additional or fewer

subcategories that should be considered?

3. FFIEC 002 Proposed Revisions

The Board’s proposed revisions to the FFIEC 002 are intended to align with similar changes proposed to the Call Report, Schedule RC–C, Part I, as applicable, and discussed in the prior section.

Schedule C, “Loans”

■ The instructions for item 3, “Loans to other financial institutions” would be updated to include additional detail on the types of loans that should be reported in this line item. In addition, the instructions would be revised to include all loans to brokers and dealers in securities and loans to investment firms and mutual funds in the amounts reported in this item. These loans were previously included in item 7, below.

■ The instructions for item 7, “Loans for purchasing or carrying securities (secured and unsecured)” would be revised to exclude from the amounts reported in this item all loans to brokers and dealers in securities and loans to investment firms and mutual funds. These loans would be reported under the new NDFI definition in item 3, “Loans to other financial institutions.”

■ The instructions for item 7, “Loans for purchasing or carrying securities (secured and unsecured)” would also be revised to include in the amounts reported in this item all margin loans, including securities-based loans and non-purpose margin loans. In addition, this item description on the report form would be revised to “Loans for purchasing or carrying securities, including margin loans.”

The Board is proposing to align the effective date for these revisions on Schedule C of the FFIEC 002 with the revised Call Report items, described above.

B. Reporting on Guaranteed Structured Financial Products

In February 2023, a proposal for revisions to the Call Reports² included a question on the reporting of certain Federal Home Loan Mortgage Corporation and similar securitization structures that have government guarantees on Schedule RC–B, Securities. The agencies sought comment on the reporting of these types of structured financial products including those issued or guaranteed by U.S. government or government sponsored agencies.

The agencies received two comments on this topic. One comment opposed

² 85 FR 10644 (February 21, 2023).

reporting these securities in Schedule RC–B, Securities, item 5.b, noting that this item includes a broad range of structured financial products, and there would be a lack of clarity on the amount reported in this item that is guaranteed by a government or agency. The other comment supported reporting these securities in item 5.b. However, the commenter also noted the lack of transparency in this item regarding the composition of reported structured financial products. The commenter stated it would be appropriate for an additional breakdown to be added to item 5.b to report the amount that is guaranteed by the U.S. government or an agency. In the final 30-day notice published in June 2023,³ the agencies indicated they would continue reviewing the original clarification and the new item proposed by the commenter.

After further review of the comment to collect data on the amounts reported in item 5.b that are guaranteed by U.S. government agencies or sponsored agencies, the agencies are proposing to add a new Memorandum item 7, “Guaranteed by U.S. Government agencies or sponsored agencies included in Schedule RC–B, item 5.b”, columns A through D, on Schedule RC–B. The proposed amounts in the new Memorandum item would collect the total amortized cost and total fair value for held-to-maturity securities and available-for-sale securities.

C. Long-Term Debt

On August 29, 2023, the federal bank regulatory agencies requested comment on a proposal that would require large banks with total assets of \$100 billion or more to maintain a layer of long-term debt, which would improve financial stability by increasing the resolvability and resiliency of such institutions. This notice of proposed rulemaking (NPR) was published in the **Federal Register** on September 19, 2023.⁴ This NPR would affect insured depository institutions (IDIs) that are not consolidated subsidiaries of U.S. global systemically important banks (G–SIBs) and that (i) have at least \$100 billion in consolidated assets or (ii) are affiliated with IDIs that have \$100 billion in consolidated assets (covered IDIs) that are required to have outstanding a minimum amount of eligible long-term debt (LTD). Generally, under the proposal, covered IDIs that are consolidated subsidiaries of covered bank holding companies and savings

and loan holding companies would be required to issue the LTD.

The agencies are proposing to revise Schedule RC–R, Part I, Regulatory Capital Components and Ratios, for all three Call Reports by adding the following new line items under the heading “Long-Term Debt (LTD).” These new line items would be applicable only to IDIs subject to the long-term debt requirement in the NPR:

- 56.a, “Effective date of LTD requirement;”
- 56.b, “Outstanding eligible LTD;”
- 56.c, “Outstanding eligible LTD with a remaining maturity greater than or equal to one year and less than two years;”
- 56.d, “LTD total risk-weighted assets ratio;” and
- 56.e, “LTD leverage ratio.”

Additionally, on the FFIEC 031 and FFIEC 041 forms only, the agencies will add a sixth item, 56.f, “LTD supplementary leverage ratio.”

The agencies are proposing to add these new items to monitor compliance by covered IDIs with the applicable proposed LTD requirements. These items would be consistent with similar items reported by holding companies on the Board’s Consolidated Financial Statements for Holding Companies (FR Y–9C), Schedule HC–R, Part I, Regulatory Capital Components and Ratios. For example, item 56.b, “Outstanding eligible LTD,” on the Call Report would capture the same long-term debt information as item 54, “Outstanding eligible long-term debt,” on the FR Y–9C, except it would apply to covered IDIs instead of holding companies. The proposed instructions for items 56.a through 56.f would correspond with the relevant items on the FR Y–9C as proposed in the NPR that was published on September 19, 2023. Similar to the FR Y–9C, the proposed effective date for the Call Report revisions would align with the effective date of any final rule on LTD requirements, and the reporting changes would take effect for the first report date on or after that effective date.

D. Electronic Signatures

Background

Federal law requires that certain personnel and directors attest to the accuracy of the data submitted in the bank’s Call Report by signature.⁵ In addition to being required by statute, review of the Call Report in connection with signing the attestation supports internal control over the bank’s reporting. The Call Report instructions

permit a bank to satisfy the signature requirement by obtaining physical signatures from the relevant parties attached to a copy of the associated Call Report that is retained in the bank’s files.

The onset of the COVID–19 pandemic in March 2020 and resulting bank office closures presented challenges to complying with the physical signature requirement. The agencies responded by permitting reasonable alternative signature methods, including electronic signatures, to be used for the duration of the pandemic.⁶

The federal COVID–19 public health emergency declaration ended on May 11, 2023. However, both the agencies and banks have benefitted from the alternative to the use of physical signatures on each Call Report submission. For the agencies, electronic documentation can provide a stronger audit trail than a paper copy that can be misplaced or altered. For banks, electronic signatures can reduce recordkeeping burden associated with preparing for, collecting, and retaining signatures. Therefore, the agencies are proposing to adopt ongoing standards for electronic signatures to comply with the Call Report signature and attestation requirement. Until the agencies finalize these proposed standards, banks may continue following the alternate standards provided in the quarterly Call Report Supplemental Instructions. The agencies also will continue to permit physical signatures for banks that choose not to use the electronic signature alternative.

Proposed Framework

A valid electronic signature generally must meet the following requirements: (1) The signer must use an acceptable electronic form of signature; (2) The electronic form of signature must be executed or adopted by a person with the intent to sign the electronic record; (3) The electronic form of signature must be attached to⁷ or part of the electronic record being signed; (4) There must be a means to identify, verify, and authenticate a particular person as the signer; and (5) There must be a means to preserve the integrity of the signed record.⁸ The agencies are proposing the

⁶ Call Report Supplemental Instructions for March 2020, available at: https://www.ffiec.gov/pdf/FFIEC_forms/FFIEC031_FFIEC041_FFIEC051_suppinst_202003.pdf.

⁷ In this context, “attached to” means “logically associated with.”

⁸ See “Use of Electronic Signatures in Federal Organization Transactions,” available at: https://assets.cio.gov/assets/files/resources/Use_of_ESignatures_in_Federal_Agency_Transactions_v1-0_20130125.pdf.

³ 88 FR 38592 (June 13, 2023).

⁴ 88 FR 64524 (September 19, 2023).

⁵ 12 U.S.C. 161(a) (national banks) and 1817(a)(3) (all insured depository institutions).

electronic signature alternative for the Call Report signature purposes consistent with these requirements and Federal law on electronic signatures.⁹

1. Form of Signature

The agencies are proposing to allow the following forms of signature: an image of the signer's physical signature; or application of an electronic signature, such as by clicking a box or entering a personal identification number (PIN). These forms of signature are widely available in current software products, are used by many banks that permit electronic signatures on loans or other agreements with customers and have been used by banks under the alternatives permitted for the Call Report since March 2020. While other forms of signature exist, such as biometric identification (e.g., voiceprint, fingerprint, retinal scan), these would not be suitable for the Call Report given cost, complexity, and associated privacy issues involved in recording and maintaining signatures in these forms.

2. Intent to Sign

In order to be a valid electronic signature, the signature of the appropriate bank officer or director must be applied by the officer or director with the intent to sign and in the appropriate capacity. For the Call Report, this means the appropriate bank officer (typically the chief financial officer) or director intends to sign the Call Report as the attestation that it is prepared in accordance with the instructions and is true and correct, as stated on the signature page of the Call Report. The bank officer's or director's intent and capacity must be included as part of the electronic signature process by using an electronic version of the relevant attestation text on the Call Report signature page.

3. Association of Signature

A valid electronic signature must be made part of the record of the document being signed, to confirm that the signature applies to and is linked to the entire record. For Call Report purposes, this means the signature must be associated with a complete version of the bank's Call Report, including all applicable schedules, as the signer is attesting to the correctness of the information in those schedules. This association can be made by using a process that appends the signature data to the record signed, or which establishes a database-type link between

the signature data and the record signed. An electronic signature made on a cover page or the Call Report signature page, without the Call Report schedules incorporated or attached, would not satisfy this requirement.

To validate that the bank obtained the signatures prior to filing the Call Report, the date of each electronic signature would need to be included as part of the signature and attestation process and similarly made part of the record. This could be accomplished in different ways, for example, by the signer manually entering the date when signing, which could be verified by system transaction logs, or by software embedding the date as part of the form of signature or elsewhere within the record.

4. Identification and Authentication of the Signer

A valid signature requires proving an association between the signature and the person signing. For Call Report purposes, the agencies would accept any reliable information technology system identification and authentication method or process that associates access to and execution of the electronic signature transaction with the identity of the signer with a level of assurance sufficient to protect against repudiation or adverse impact to the bank that would result from a successful challenge to the execution of the electronic signature. For example, requiring the bank officer or director to log into the bank's network using unique multifactor credentials in order to electronically sign the Call Report could identify and authenticate the signer with sufficient assurance to protect against such risks. Credentials used to access the signature transaction must be sufficient for the protection of a bank's non-public or otherwise proprietary information.

5. Integrity of Signed Record

The usability of a signed electronic record requires maintaining the integrity of the electronic signature and associated record. A bank would need to have sufficient data security and data integrity practices to ensure that the Call Report with electronic signature is safely stored, readily retrievable, and cannot be lost or altered.¹⁰ As with paper-based signatures, electronic signatures would not be submitted to the Central Data Repository along with the Call Report data, but the electronically signed Call Report would

need to be available to agency examiners upon request.

A Call Report with an electronic signature would be subject to the same record retention period as a paper version of the Call Report, as specified in the Call Report instructions, and may be deleted after the relevant timeframe. Generally, this period is three years after the report date, unless state law or a dispute with the FDIC requires a longer retention period. A bank that uses electronic signatures for its Call Reports would not be required to print or maintain a paper version of the submitted Call Report, as the relevant electronic versions of the Call Report and signatures would be stored in electronic form.

Question 2: Are the proposed requirements for Call Report electronic signatures appropriate? What additional options should the agencies consider allowing or disallowing?

Question 3: Does the proposed effective date provide sufficient time for banks seeking to use electronic signatures to implement the proposed standards?

Question 4: Should the agencies consider expanding the use of electronic signatures to other FFIEC reports? If so, would the proposed requirements for Call Report electronic signatures be appropriate for those reports as well?

III. Timing

The proposed revisions to the Call Report forms and instructions, and the FFIEC 002, as applicable, and adoption of ongoing standards for electronic signatures to comply with the Call Report signature and attestation requirement are proposed to become effective with the June 30, 2024, report date, except for those related to the proposed long-term debt requirements which would take effect for the first report date at or following the effective date of any final rule. The agencies invite comment on any difficulties that institutions would expect to encounter in implementing the systems changes necessary to accommodate the proposed revisions to the Call Reports and the FFIEC 002, as applicable, consistent with this effective date.

IV. Request for Comment

Public comment is requested on all aspects of this joint notice including the questions that were provided in the earlier sections. In addition to the questions included above, 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

⁹ See, e.g., Electronic Records and Signatures in Global and National Commerce Act, Pub. L. 106–229; Government Paperwork Elimination Act of 1998, Pub. L. 105–277.

¹⁰ These practices generally already exist within banks' current information technology infrastructure for other bank records and customer information.

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.

Patrick T. Tierney,

Assistant Director, Bank Advisory Office of the Comptroller of the Currency.

Board of Governors of the Federal Reserve System.

Michele Taylor Fennell,

Deputy Associate Secretary of the Board.

Federal Deposit Insurance Corporation.

Dated at Washington, DC, on December 14, 2023.

James P. Sheesley,

Assistant Executive Secretary.

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DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

Notice of OFAC Sanctions Actions

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Notice.

SUMMARY: The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) is publishing the names of one or more persons that have been placed on OFAC's Specially Designated Nationals and Blocked Persons List (SDN List) based on OFAC's determination that one or more applicable legal criteria were satisfied. All property and interests in property subject to U.S. jurisdiction of these persons are blocked, and U.S. persons are generally prohibited from engaging in transactions with them.

DATES: See Supplementary Information section for effective date(s).

FOR FURTHER INFORMATION CONTACT: OFAC: Bradley T. Smith, Director, tel.:

202-622-2490; Associate Director for Global Targeting, tel.: 202-622-2420; Assistant Director for Licensing, tel.: 202-622-2480; Assistant Director for Regulatory Affairs, tel.: 202-622-4855; or the Assistant Director for Enforcement, Compliance and Analysis, tel.: 202-622-2490.

SUPPLEMENTARY INFORMATION:

Electronic Availability

The SDN List and additional information concerning OFAC sanctions programs are available on OFAC's website (<https://www.treasury.gov/ofac>).

Notice of OFAC Actions

On December 19, 2023, OFAC determined that the property and interests in property subject to U.S. jurisdiction of the following persons are blocked under the relevant sanctions authorities listed below.

Individuals

1. ARDAKANI, Gholamreza Ebrahimzadeh (a.k.a. ARDAKANI HOSEIN, Gholamreza Ebrahimzadeh; a.k.a. ARDAKANI, Gholam Reza Ebrahimzadeh; a.k.a. "Denise Lee"), Iran; DOB 20 Aug 1992; nationality Iran; Additional Sanctions Information—Subject to Secondary Sanctions; Gender Male; Passport M34961597 (Iran) expires 27 Sep 2020; National ID No. 4440049443 (Iran) (individual) [NPWMD] [IRGC] [IFSR] (Linked To: ARDAKANI, Hossein Hatefi).

Designated pursuant to section 1(a)(iii) of Executive Order 13382 of June 28, 2005, "Blocking Property of Weapons of Mass Destruction Proliferators and Their Supporters," 70 FR 38567, 3 CFR, 2005 Comp., p. 170 ("E.O. 13382"), for having provided, or attempted to provide, financial, material, technological or other support for, or goods or services in support of, ARDAKANI, Hossein Hatefi, a person whose property and interests in property are blocked pursuant to E.O. 13382.

2. ARDAKANI, Hossein Hatefi (a.k.a. ARDAKANI, Hosein Hatefi; a.k.a. ARDAKANI, Hussein Hatefi; a.k.a. ARDEKANI, Hossein Hatafi; a.k.a. "Seatha Murugiah"), Tehran, Iran; DOB 21 Sep 1985; POB Ardakan, Iran; nationality Iran; Additional Sanctions Information—Subject to Secondary Sanctions; Gender Male; Passport U34290111 (Iran); National ID No. 4449916581 (Iran) (individual) [NPWMD] [IRGC] [IFSR] (Linked To: ISLAMIC REVOLUTIONARY GUARD CORPS AEROSPACE FORCE SELF SUFFICIENCY JIHAD ORGANIZATION).

Designated pursuant to section 1(a)(iii) of E.O. 13382 for having provided, or attempted to provide, financial, material, technological or other support for, or goods or services in support of, ISLAMIC REVOLUTIONARY GUARD CORPS AEROSPACE FORCE SELF SUFFICIENCY JIHAD ORGANIZATION, a person whose property and interests in property are blocked pursuant to E.O. 13382.

3. DEWANTO, Agung Surya, Indonesia; DOB 17 Apr 1973; nationality Indonesia;

Additional Sanctions Information—Subject to Secondary Sanctions; Gender Male; Passport R248877 (Indonesia); alt. Passport M765751 (Indonesia) expires 28 Mar 2008; alt. Passport A2935714 (Indonesia); Identification Number 1398039 (Indonesia) (individual) [NPWMD] [IRGC] [IFSR] (Linked To: SURABAYA HOBBY CV).

Designated pursuant to section 1(a)(iv) of E.O. 13382 for acting or purporting to act for or on behalf of, directly or indirectly, SURABAYA HOBBY CV, a person whose property and interests in property are blocked pursuant to E.O. 13382.

4. MOHAMMADABADI, Mehdi Dehghani (a.k.a. MOHAMMADABADI ABOLGHASEM, Mehdi Dehghani), Tehran, Iran; DOB 23 Sep 1982; nationality Iran; Additional Sanctions Information—Subject to Secondary Sanctions; Gender Male; National ID No. 4433172081 (Iran) (individual) [NPWMD] [IRGC] [IFSR] (Linked To: KAVAN ELECTRONICS BEHRAD LIMITED LIABILITY COMPANY).

Designated pursuant to section 1(a)(iv) of E.O. 13382 for acting or purporting to act for or on behalf of, directly or indirectly, KAVAN ELECTRONICS BEHRAD LIMITED LIABILITY COMPANY, a person whose property and interests in property are blocked pursuant to E.O. 13382.

Entities

1. ARTA WAVE SDN BHD, No. 46-1, Jalan Tasik Utama, 5 Medan, Niaga, Kuala Lumpur 57000, Malaysia; 26-2, Jalan 9/23 E, Taman Danau Kota, Off Jalan Genting Klang, Kuala Lumpur 53300, Malaysia; Rm. 1014, Favor Industrial Centre, 2-6 King Hong Street, Kwai Chung, Hong Kong, China; Additional Sanctions Information—Subject to Secondary Sanctions; Organization Established Date 10 Dec 2018; Commercial Registry Number 1306915A (Malaysia); Registration Number 201801044883 (Malaysia) [NPWMD] [IRGC] [IFSR] (Linked To: ARDAKANI, Hossein Hatefi).

Designated pursuant to section 1(a)(iii) of E.O. 13382 for having provided, or attempted to provide, financial, material, technological or other support for, or goods or services in support of, ARDAKANI, Hossein Hatefi, a person whose property and interests in property are blocked pursuant to E.O. 13382.

2. BASAMAD ELECTRONIC POUYA ENGINEERING LIMITED LIABILITY COMPANY (a.k.a. DYNAMIC ELECTRONIC FREQUENCY ENGINEERING LIMITED LIABILITY COMPANY), No. 63, Unit 4, Shahrara, Patrice Lumumba St., Abshori St., Tehran 1445934911, Iran; Additional Sanctions Information—Subject to Secondary Sanctions; Organization Established Date 20 Jan 2015; National ID No. 14004684489 (Iran); Registration Number 466887 (Iran) [NPWMD] [IRGC] [IFSR] (Linked To: ARDAKANI, Hossein Hatefi).

Designated pursuant to section 1(a)(iv) of E.O. 13382 for being owned or controlled by ARDAKANI, Hossein Hatefi, a person whose property and interests in property are blocked pursuant to E.O. 13382.

3. DIRAC TECHNOLOGY HK LIMITED, Rm 2304 Ho King, Commercial Bldg 2-16, Fa Yuen St., Mongkok, Kowloon, Hong Kong, China; website <https://dirac-tech.com/>;