write Sallie Chavez, TAP Office, 1000 South Pine Island Rd., Suite 340, Plantation, FL 33324. Due to limited space, notification of intent to participate in the meeting must be made with Sallie Chavez. Ms. Chavez can be reached at 1–888–912–1227 or 954–423–7979.

The agenda will include the following: various IRS issues.

Note: Last minute changes to the agenda are possible and could prevent effective advance notice.

Dated: January 7, 2003.

Maryclare Whitehead,

Executive Assistant to the National Taxpayer Advocate.

[FR Doc. 03–1525 Filed 1–22–03; 8:45 am]

BILLING CODE 4830–01–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

Open Meeting of the Taxpayer Advocacy Panel (TAP) Multilingual Initiative Issue (MLI) Committee Will Be Conducted (Via Teleconference)

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice.

SUMMARY: An open meeting of the Taxpayer Advocacy Panel (TAP) Multilingual Initiative Issue (MLI) Committee will be conducted (via teleconference).

DATES: The meeting will be held Friday, February 14, 2003.

FOR FURTHER INFORMATION CONTACT: Inez E. De Jesus at 1–888–912–1227, or 954–423–7977.

SUPPLEMENTARY INFORMATION: Notice is hereby given pursuant to section 10(a)(2) of the Federal Advisory Committee Act, 5 U.S.C. App. (1988) that an open meeting of the Taxpayer Advocacy Panel Multilingual Initiative Issue Committee will be held Friday, February 14, 2003, from 1 p.m. e.s.t. to 2 p.m. e.s.t. via a telephone conference call. The Taxpayer Advocacy Panel is soliciting public comments, ideas and suggestions on improving customer service at the Internal Revenue Service. Individual comments will be limited to 5 minutes. If you would like to have the TAP consider a written statement, please call 1–888–912–1227 or 954–423–7977, or write Inez E. De Jesus, TAP Office, 1000 South Pine Island Rd., Suite 340, Plantation, FL 33324. Due to limited conference lines, notification of intent to participate in the telephone conference call meeting must be made with Inez E. De Jesus. Ms. De Jesus can be reached at 1–888–912–1227 or 954–423–7977.

The agenda will include the following: various IRS issues.

Note: Last minute changes to the agenda are possible and could prevent effective advance notice.

Dated: January 13, 2003.

Deryle J. Temple,

Director, Taxpayer Advocacy Panel.

[FR Doc. 03–1526 Filed 1–22–03; 8:45 am]

BILLING CODE 4830–01–P

DEPARTMENT OF THE TREASURY

Office of Thrift Supervision

Proposed Agency Information Collection Activities; Comment Request—Thrift Financial Report

AGENCY: Office of Thrift Supervision (OTS), Treasury.

ACTION: Notice and request for comments.

SUMMARY: The Department of the Treasury invites the general public and other Federal agencies to comment on proposed and continuing information collections, as required by the Paperwork Reduction Act of 1995, 44 U.S.C. 3507. Today, the Office of Thrift Supervision (OTS) within the Department of the Treasury solicits comments on proposed changes to the Thrift Financial Report (TFR), effective with the March 31, 2004 report. A proposal to amend Schedule CMR, Consolidated Maturity and Rate, a schedule that addresses interest rate risk, will be published separately at a later date.

The following subjects are discussed in more detail below:

(1) Definition of Mortgage Loans;
(2) Mortgage Backed Securities;
(3) Asset-backed Securities;
(4) Junior liens;
(5) Multifamily mortgages;
(6) General Valuation Allowances;
(7) Credit Cards;
(8) Servicing Assets in Schedule SC;
(9) Bank-Owned Life Insurance;
(10) Minority Interest on the Balance Sheet;
(11) Accumulated Other Comprehensive Income;
(12) Optional Narrative Statement;
(13) FHLB Dividend Income;
(14) Goodwill Expense;
(15) Schedule VA, Valuation Allowance Reconciliation;
(16) Troubled Debt Restructured;
(17) Guaranteed Loans Past Due;
(18) Unused Balances of Credit Cards and Home Equity Lines of Credit;
(19) Deletion of Lines in Schedule CF (Cash Flow);
(20) Refinancing Loans
(21) Nonmortgage Loan Activity;
(22) Mortgage Derivative Securities Activity Detail;
(23) Deposit Information and Deposit Insurance Premium Assessment Information;
(24) Summary of Changes in Equity Capital;
(25) Thrift Investment in Service Corporations;
(26) Savings Association and Subsidiary Web Site Addresses;
(27) IRS Domestic Building and Loan Association (DBLA) Test;
(28) Mutual Fund and Annuity Sales;
(29) Transactions with affiliates;
(30) Average Balance Sheet Data;
(31) Schedule SB, Small Business Loans;
(32) Holding Company Information;
(33) Reporting Frequency of Schedule CSS (Subordinate Organization Schedule);
(34) Consolidation of Subordinate Organizations;
(35) Schedule CCR (Capital Requirement);
(36) Shorter Deadlines for TFR, Including Schedules HC and CMR.

At the end of the comment period, the comments and recommendations received will be analyzed to determine the extent to which OTS should modify the proposed revisions prior to giving its final approval. OTS will then submit the revisions to the Office of Management and Budget (OMB) for review and approval.

DATES: Submit written comments on or before March 24, 2003.

ADDRESSES: Send comments to Information Collection Comments, Chief Counsel's Office, Office of Thrift Supervision, 1700 G Street, NW., Washington, DC 20552, Attention 1550–0023. Hand deliver comments to the Guard's Desk, east lobby entrance, 1700 G Street, NW., between 9 A.M. and 4 P.M. on business days. Send facsimile transmissions to FAX Number (202) 906–6518. Send e-mails to *infocollection.comments@ots.treas.gov.* All comments should refer to ''TFR Revisions, OMB No. 1550–0023,'' and include your name, company, and telephone number. OTS will post comments and the related index on the OTS Internet site at: *http://www.ots.treas.gov.* In addition, interested persons may inspect comments at the Public Reading Room, 1700 G Street, NW., Washington, DC 20552 by appointment. To make an appointment, call (202)906–5922, send an e-mail to *public.info@ots.treas.gov,* or send a facsimile transmission to (202)906–7755. Appointments will be scheduled on business days between 10 AM and 4 PM.

FOR FURTHER INFORMATION: You can access sample copies of the proposed March 2004 TFR form on OTS's web site, *www.ots.treas.gov*, or you may request them by electronic mail from *tfr.instructions@ots.treas.gov;* from Trudy Reeves, Senior Financial Reporting Analyst, National Systems, (202) 906–7317, Office of Thrift Supervision, 1700 G Street, NW., Washington, DC 20552; or from Marilyn K. Burton, OTS Paperwork Clearance Officer, (202) 906–6467, Office of Thrift Supervision, 1700 G Street, NW., Washington, DC 20552, by electronic mail at *marilyn.burton@ots.treas.gov.*

SUPPLEMENTARY INFORMATION:

Title: Thrift Financial Report.

OMB Number: 1550–0023.

Form Number: OTS 1313.

Abstract: All OTS-regulated savings associations must comply with the information collections described in this notice. OTS collects this information each calendar quarter, or less frequently if so stated. OTS needs this information to monitor the condition, performance, and risk profile of the savings association industry.

Current Actions: After reviewing its current supervisory and examination needs, OTS proposes a number of revisions to the Thrift Financial Report (TFR), effective with the March 31, 2004 report. The proposed revisions will enhance the usefulness of the TFR from a supervisory prospective and will complement the federal banking agencies' emphasis on risk-focused supervision.

OTS had proposed in August 2000 to collect most of the data being proposed today beginning with the first quarter of 2001. However, OTS decided to postpone certain changes to the TFR until March 2004. The original proposal can be accessed on the OTS web site at *http://www.ots.treas.gov/docs/86233.pdf.*

This proposal also addresses certain aspects of sections 307(b) and (c) of the Riegle Community Development and Regulatory Improvement Act of 1994 (the Riegle Act). These sections direct the federal banking agencies to work jointly toward more uniform reporting, review the information that institutions currently report, and eliminate existing reporting requirements that are not warranted for safety and soundness or other public policy purposes.

Several reporting changes being proposed would introduce more uniformity for savings associations, banks, and bank holding companies to certain aspects of regulatory reporting. In this regard, over the past several years, the federal banking regulators have sought greater consistency among the reporting requirements imposed on savings associations, banks, and bank holding companies.

Increasing the uniformity of reporting requirements, among the different types of institutions supervised by the federal financial institution regulators, is a necessary step toward achieving the goal of a single set of reporting requirements for the filing of core information that is set forth in section 307(b) of the Riegle Act.

1. Definition of Mortgage Loans

We propose redefining mortgages for TFR reporting to encompass all real estate loans subject to 12 CFR 560.100–101 (real estate lending standards) and OTS Thrift Bulletin 72a. This revised definition would include all loans predicated upon a security interest in real property. All revolving home equity loans and second mortgages would be reported as mortgages, not as consumer loans. The only loans that would be reported as nonmortgage loans are unsecured loans and those that are otherwise substantially secured by collateral other than real estate, where a mortgage was taken as an abundance of caution (for example, an auto loan with an incidental lien on a residence), and where the terms as a consequence have not been made more favorable than they would have been in the absence of the lien. If a loan can be placed under more than one classification (for example, when a loan to finance a small business is primarily secured by a single-family residence), the institution may classify the loan as either single-family or commercial for purposes of HOLA percent-of-assets limitations and for purposes of the TFR. However, even if the institution places such a loan in a non-real-estate category, it is subject to § 560.100–101.

The current criteria for classification as a mortgage—that a loan is fully secured by the property and that an appraisal or other evaluation has been performed—would no longer apply. If this change in mortgage loan definition is adopted, mortgage loan classification in the TFR would be more consistent with the mortgage loan classification by commercial banks on the Call Report. Increasing uniformity between the TFR and the Call Report is a step toward achieving the goal of a single set of reporting requirements for the filing of core information that is set forth in section 307(b) of the Riegle Act.

2. Mortgage Backed Securities

We propose combining mortgage-backed pass-through securities and mortgage derivatives into one section in the balance sheet (Schedule SC); breaking out insured or guaranteed pass-through securities into two lines:

(1) Guaranteed by GNMA; and

(2) Issued by FNMA and FHLMC.

We propose breaking out mortgage derivative securities into three lines:

(1) Those issued or guaranteed by FNMA, FHLMC, or GNMA;

(2) Those collateralized by securities issued or guaranteed by FNMA, FHLMC, or GNMA; and

(3) All others.

This would provide consistent information with the commercial bank Call Report, would be more consistent with the presentation of mortgage-backed securities in financial statements included with filings under the Securities and Exchange Act of 1934, and would provide information on the degree of risk of the derivative investment. Consistent with the commercial bank Call Report, mortgage-backed bonds would be reported with other investment securities on SC185.

3. Asset-backed Securities

OTS proposes to add a line under ''Investment Securities'' on the balance sheet (Schedule SC) to collect securities collateralized by nonmortgage loans (asset-backed securities), including securities backed by credit cards, other consumer loans, and commercial loans. Asset-backed securities are currently reported with other types of investment securities on SC185. The addition of this line item would provide important information concerning the holdings of these securities.

4. Junior Liens

OTS proposes to separately collect first liens and junior liens under ''Permanent Mortgages'' on 1–4 dwelling units in the balance sheet (Schedule SC) to better monitor the riskier junior lien market. Currently, the TFR does not collect data on single-family residential junior liens. This change would make the TFR mortgage loan breakdown consistent with the commercial bank Call Report. This change would also be made to the breakdown of residential mortgages in the charge-off and recovery data on Schedule VA and past-due data in Schedule PD.

5. Multifamily Mortgages

OTS proposes to rename ''5 or More Dwelling Units'' to ''Multifamily (5 or more) Residential Properties'' throughout the TFR. The use of ''multifamily residential properties'' conforms to the wording in the OTS capital regulations, other OTS regulations, and in the commercial bank Call Report, clarifying that these are the same type of loans. Schedules CCR and CMR currently use the term ''multifamily residential mortgages.''

6. General Valuation Allowances

OTS proposes removing from Schedule SC general valuation allowances on investment securities (SC199), real estate held for investment (SC481), and equity investments (SC529). This would require savings associations to report these items net of general valuation allowances, if there are any. It is OTS's opinion that a general valuation allowance on these items should be rare.

7. Credit Cards

OTS proposes to collect credit cards separately under the heading ''Consumer Loans.'' Currently, credit cards are combined with other similar plans such as overdraft lines on checking accounts. These other similar plans would be reported with ''Other Consumer Loans.'' Because the change in the definition of mortgage loans mentioned above results in restructuring the consumer loan categories in Schedule SC, we would eliminate the distinction between closed-end and open-end consumer loans. Consequently, the line for ''Other, Including Leases'' would contain both closed-end loans and open-end loans such as those currently reported with credit cards. Credit cards would be broken out separately on the balance sheet (Schedule SC), in charge-offs and recoveries (Schedule VA), and in past due and nonaccrual (Schedule PD). This presentation would be consistent with the Call Report.

8. Servicing Assets in Schedule SC

OTS proposes adding a section in Schedule SC to characterize servicing assets as intangibles, as required by Financial Accounting Standards Board (FASB) Statement No. 142. No new lines would be added; this change would simply regroup intangible assets. Under this proposal a new subheading ''Intangible Assets'' would be added. Grouped under this heading would be Servicing Assets on Mortgage Loans (line SC642), Servicing Assets on Nonmortgage Loans (line SC644), and Goodwill and Other Intangibles (line SC660).

9. Bank-Owned Life Insurance

OTS proposes adding two lines in Schedule SC (Statement of Condition) to collect balances of key person life insurance and other bank-owned life insurance. These lines would facilitate monitoring of the level of bank-owned life insurance held by thrifts, an amount that has risen considerably over the past several years. Key person life insurance is defined as: life insurance where the intended purpose is to provide the institution protection against the potential for losses arising from the untimely death of a key employee or borrower. These policies are generally surrendered when the key employee leaves the institution or when the borrower pays off his loan. OTS currently collects this information in Other Assets (SC690).

10. Minority Interest on the Balance Sheet

OTS proposes changing the caption of SC799 from ''Redeemable Preferred Stock and Minority Interest'' to ''Minority Interest.'' The FASB has on their agenda consideration of a change in the financial reporting of redeemable preferred stock. It is anticipated that a statement will be released in 2003, to be effective in 2004. This change likely will clarify that redeemable preferred stock and similar instruments should be reported as borrowings and will no longer be reported in the balance sheet mezzanine area. We may be required to make additional changes to the TFR based on FASB's final pronouncement at a later date.

11. Accumulated Other Comprehensive Income

OTS proposes to add a subsection in the equity section of the balance sheet (Schedule SC) for accumulated other comprehensive income to conform to generally accepted accounting principles (GAAP). This section would include the existing line for unrealized gains (losses) on available-for-sale securities and two additional lines for:

(1) Gains (losses) on cash flow hedges; and

(2) Other, including foreign currency translation adjustments and minimum pension liability adjustments.

This change would put Schedule SC in conformity with GAAP, as described in FASB Statement No. 130.

12. Optional Narrative Statement

OTS proposes adding a space for thrift management to submit a brief narrative statement concerning data reported in their TFR. This would permit institutions to provide narrative information on significant transactions, mergers, organizational adjustments, reclassifications, prior period adjustments, etc., of which they want OTS and the public to be aware. The narrative statement is optional and, therefore, poses no additional burden. The contents of the narrative would be the responsibility of management, would not be edited or screened by OTS, and would be released to the public.

13. Federal Home Loan Bank (FHLB) Dividend Income

OTS proposes adding a separate line in Schedule SO (Statement of Operations) for FHLB dividend income. FHLB dividends comprise a relatively large portion of net income for many institutions. Because of the magnitude of FHLB dividend income, we currently require the reporting of FHLB dividends in the detail of other noninterest income, leaving only two detail lines for other noninterest income. Creating a separate line for FHLB dividends would provide us with three detail lines describing other noninterest income as originally intended.

14. Goodwill Expense

OTS proposes revising the title of SO560 from ''Amortization of Goodwill'' to ''Goodwill and Other Intangibles Expense'' to provide for periodic write-down of goodwill along with amortization of other intangibles, pursuant to FASB Statement No. 142.

15. Schedule VA, Valuation Allowance Reconciliation

OTS proposes to change the caption in the last column of the charge-off and recovery schedule from ''Total'' to ''Adjusted Net Charge-offs'' to better reflect its purpose.

16. Troubled Debt Restructured

OTS proposes to break out Troubled Debt Restructured (TDR) reported on VA941 into TDR in compliance with modified terms and past-due TDR. We would delete VA941 (TDR) and replace it with a line for TDR in compliance. We would add new lines in Schedule PD for each of the past due categories (30–89 days, 90 days or more, and nonaccrual) for past-due TDR included in Schedule PD. This would give OTS important monitoring information concerning the relative risk of the TDR on the books of an institution. It would also permit industry analysts to better identify assets with possible problems, since TDR in compliance may not present as much of a risk. This corresponds to the Call Report break out of TDR—troubled debt restructured and in compliance with modified terms, RC–C, Part I, Memoranda item 1 and troubled debt restructured past due, which is reported on RC–N, Memoranda item 1.

17. Guaranteed Loans Past Due

OTS proposes adding a line in each of the past due categories (30–89 Days, 90 Days or More, and Nonaccrual) in Schedule PD for the guaranteed portion of loans and leases that are wholly or partially guaranteed by the U.S. Government or Agency thereof. All loans, regardless of any guarantee, are included in Schedule PD, and all of Schedule PD is released to the public. The addition of this data would benefit institutions. Because investment and loan ratings are based on amounts reported in Schedule PD, without this new line, delinquent guaranteed loans could bring a rating down when in fact these loans may present no credit risk to the institution if they are properly underwritten and administered. This line is included in the Call Report on RC–N item 10.a.

18. Unused Balances of Credit Cards and Home Equity Lines of Credit

OTS proposes to add two lines in Schedule CC (Commitment and Contingencies) to collect data on the unused balance of credit cards, and outstanding home equity lines of credit that have not yet been drawn down; currently these amounts are included with Open-end Consumer Lines on CC410.

19. Deletion of Lines in Schedule CF (Cash Flow)

OTS proposes to delete the following lines that are no longer used:

• *Mortgage Pool Securities Activity*—OTS proposes combining the activity of mortgage pool securities secured by fixed-rate mortgages and those secured by variable-rate mortgages in Schedule CF (Cash Flow) (lines CF140 through CF170) into one line for purchases and one line for sales. We feel the breakdown of activity between fixed and variable rate is no longer necessary.

• *Mortgage Loan Activity*—OTS proposes combining the activity of newly built and previously occupied permanent mortgages on residential property in Schedule CF into one line collecting these data. The breakdown between newly built and previously occupied is no longer considered necessary for supervisory purposes.

20. Refinancing Loans

In order to track total refinancing loans, OTS proposes to change the definition of CF360, Refinancing Loans, to include not only refinanced loans where the reporting institution held the original mortgage, but also refinanced loans where another institution held the original mortgage. Line CF360 would be deleted and replaced with a new line using the revised definition. This would provide OTS with more complete information when assessing the amount of refinancing activity in an institution or in a geographical area.

21. Nonmortgage Loan Activity

Because nonmortgage loans have become a larger, and, in most cases, riskier part of the thrift industry's loan portfolio, OTS proposes adding two lines capturing sales of commercial and consumer nonmortgage loans. Schedule CF currently reconciles the activity in mortgage loans, deposits, and mortgage pool securities; however, nonmortgage commercial and consumer loans have only one line each for originations and purchases. These lines along with the proposed lines would improve reconciliation of nonmortgage loans and would indicate the volume of nonmortgage loans that are acquired and sold within the same quarter.

22. Mortgage Derivative Securities Activity Detail

OTS proposes adding activity detail on mortgage derivative securities, i.e., purchases, sales, and other balance changes. For some institutions, period-to-period swings in these assets can be more significant than in their loan portfolio balances. This section would be placed in Schedule CF immediately following purchases and sales of mortgage pool securities.

23. Deposit Information and Deposit Insurance Premium Assessment Information

OTS proposes to move the deposit data and deposit insurance premium assessment information from Schedule SI (Supplemental Information) to a new schedule, Schedule DI (Deposit Information). Schedule SI was designed to contain supplementary data not collected elsewhere in the TFR. Because the number of items collected for deposit insurance premium assessment purposes has increased substantially over the past ten years, we believe it is preferable to move these data items to a separate schedule. This schedule would correspond to Call Report Schedules RC–E and RC–O.

The Federal Deposit Insurance Corporation (FDIC) Assessments Branch has requested that we re-establish a line that was deleted in 1996 that collected reciprocal balance accounts deducted from insured deposits in calculating the deposit insurance premium. We propose adding this line, which would be collected in the new Schedule DI and would be captioned: ''Adjustments to Demand Deposits for Reciprocal Demand Balances with Commercial Banks and Other Savings Associations.'' These reciprocal demand balances are currently collected along with other items in SI247. This line corresponds to Call Report RC–O Line 11.a.

OTS also proposes adding balance information on:

• Transaction accounts,
• Money market deposit accounts,
• Passbook accounts, and
• Time deposits.

Similar data are currently collected for those institutions that file Schedule CMR, but is not publicly released. Placing these balances on the new Schedule DI would provide publicly available data for all institutions, consistent with the breakdown of deposits in the Call Report, RC–E.

24. Summary of Changes in Equity Capital

Currently SI670, Other Adjustments to Equity Capital, is made up of various items and, for most savings associations, this miscellaneous data item is the largest reconciling amount to capital. To provide a better understanding of this adjustment, OTS proposes adding the following three lines in the reconciliation of equity capital in Schedule SI:

• Other Comprehensive Income (an amount that can be generated in the electronic filing software and would require no input by the reporting savings association);

• Other Capital Contributions (where no stock is issued); and

• Prior Period Adjustments (for periods that can no longer be amended).

We would change the title of this section to ''Summary of Changes in Equity Capital.'' The inclusion of current comprehensive income in the summary of changes in equity capital would put this reconciliation in conformity with GAAP, as described in FASB Statement No. 130.

25. Thrift Investment in Service Corporations

OTS proposes adding a line in Schedule SI to collect the thrift's aggregate investment in service corporations. The definition of service corporation investment would include the thrift's total exposure, that is, all equity investments, unsecured loans, and third party guarantees. Under OTS rules, a thrift can make investments in service corporations and lower-tier entities. For determining compliance with lending and investment limits, a federal thrift has the flexibility to place loans to service corporations or lower-tier entities in either the service corporation investment category or another applicable investment category (such as its commercial lending authority), consistent with the lending and investment powers set forth in § 560.30 (Lending and Investment Powers of Federal Savings Associations). Collecting this data will enable OTS to monitor a thrift's total investment in service corporations and lower-tier entities.

26. Savings Association and Subsidiary Web Site Addresses

OTS proposes the addition of an Internet home page address and transactional web site addresses as defined in § 555.300(b) to assist in monitoring the activities of savings associations on their web sites. These data items would be collected in Schedule SQ (Supplementary Questions). OTS also proposes adding a similar data item to collect transactional web site addresses of subsidiaries in Schedule CSS (Subordinate Organization Schedule).

27. IRS Domestic Building and Loan Association (DBLA) Test

OTS proposes to add a line for those savings associations that do not use the Home Owners' Loan Act (HOLA) Qualified Thrift Lender (QTL) test, but instead use the IRS Domestic Building and Loan Association (DBLA) test. The addition of this line would more exactly identify savings associations that are using the IRS DBLA test and would enable the regions to better monitor the QTL status of those associations. This line would be added in Schedule SI following the lines for QTL. It would be required only of those associations using the DBLA test, who are currently required to calculate their DBLA test monthly. Thus, the addition of this line would pose no additional burden.

28. Mutual Fund and Annuity Sales

OTS proposes eliminating the collection of data on quarterly sales of annuities, mutual funds, and proprietary products, SI800 through SI850. In place of these items, each savings association would respond to a ''yes'' or ''no'' question asking whether it sells private label or third party mutual funds and annuities. In addition, savings associations would report the total assets under their management in proprietary mutual funds and annuities. The data item collecting fee income from the sale and servicing of mutual funds and annuities would be retained. For savings associations with proprietary mutual funds and annuities, reporting the amount of assets under management should be significantly less burdensome than reporting the quarterly sales volume for these proprietary products. These changes were made to the Call Report in March 2001.

29. Transactions with Affiliates

OTS proposes adding memoranda information in Schedule SI on certain transactions the savings association has with its affiliates. The term ''affiliate'' is defined in 12 CFR 563.41(b)(1). For purposes of the collection of this information, ''affiliate'' is defined as the holding company(s), any holding company subsidiary(s), a bank or thrift subsidiary of the savings association, and any company controlled by or for the benefit of shareholders or which shares a majority of the same directors with the savings association or holding company. These data generally would not include transactions with subsidiaries of the savings association. Additionally, any transaction by a savings association or its subsidiaries with any person or entity is a transaction with an affiliate if the proceeds of the transaction are used for the benefit of, or transferred to, an affiliate.

The items to be collected are:

- Fees/expenses paid by the thrift to affiliates during the quarter including interest, management and service fees, tax sharing payments, and other general and administrative expenses;
- The amount of assets sold to affiliates during the quarter;
- The outstanding balance at the end of the quarter of:

—Assets purchased from affiliates,
—Commitments to purchase assets from affiliates, and
—extensions of credit to affiliates;

- The percentage of the thrift's directors who are also directors of affiliates; and
- The percentage of the thrift's officers who are also officers of the affiliates.

More complex business plans and increased merger and acquisition activity have changed the nature of the relationship of the thrift with its affiliates. OTS proposes to collect this information for the purpose of off-site monitoring and to more precisely scope its on-site examinations.

30. Average Balance Sheet Data

OTS proposes to add the collection of average balances for the following selected balance sheet items:

- Total assets (SC60);
- Deposits and Investments, excluding cash and non-interest-earning items (SC10 less SC110);
- Mortgage Loans and Mortgage-Backed Securities;
- Nonmortgage Loans;
- Deposits and Escrows; and
- Total Borrowings.

Associations may calculate the average balances based upon close-of-business balances using either all the business days in the quarter or weekly balances, using one day of the week consistently, other than Friday. Associations with less than $100 million in total assets may calculate average balance based upon month-end averages. Average balances for securities would be calculated based upon the following: for debt securities use amortized cost and for equity securities use historical cost, except for those securities held in a trading account for which use determinable fair values. This information would produce more accurate data for use in ratio analysis; would avoid skewed data when restructurings, sales, and acquisitions occur; and would enable calculation of better yield and cost data. The Call Report collects average data in Schedule RC–K.

31. Schedule SB, Small Business Loans

OTS proposes adding a question at the beginning of Schedule SB asking: ''Do you have any small business loans to report in this schedule?'' This question would permit those institutions not required to file this schedule to respond ''no'' and omit the rest of the schedule. Currently institutions must answer the first three questions on Schedule SB even if they have no loans to report.

32. Holding Company Information

More complex business plans, advances in technology, increased merger and acquisition activity, and earnings pressures have changed the nature of the relationship of the thrift with its affiliates. OTS seeks to more fully leverage its collection of holding company information for the purpose of improving off-site monitoring and to more precisely scope its on-site examinations. Therefore, OTS proposes to expand Schedule HC (Thrift Holding Company) to collect additional data on thrift holding companies and intends to substantially reduce the data collection in the H-b(11), the details of which will be announced at a later date. Bank holding companies are excluded from reporting. Schedule HC is not released to the public. The changes to Schedule HC would include:

- Replace the question HC120 (is any company in this holding company's corporate structure required to file periodic securities disclosure documents with the SEC, pursuant to the Securities Exchange Act of 1934?) with a new data item collecting the stock exchange ticker symbol.

• Add SEC number.
• Add web site address.
• For the consolidated entity:

—Add a line for minority interest.
—Replace HC510 (Intangible Assets and Deferred Policy Acquisition Costs) and HC515 (Servicing Assets included in HC510) with three lines: (1) Intangible assets—servicing assets; (2) intangible assets—other; and (3) deferred policy acquisition costs.
—Replace HC520 (Debt Maturing Within the Next 12 Months) and HC530 (All Other Debt) with the three lines: (1) Trust preferred securities; (2) other debt maturing within 12 months; and (3) other debt maturing beyond 12 months.
—Replace HC560 (Interest Expense for the Quarter) with two items: (1) Interest expense on trust preferred securities and (2) interest expense on all other debt.

• Add the following parent-only financial information:

—Total assets
—Total liabilities
—Minority interest
—Total equity
—Net income for the quarter
—Receivable from subsidiaries—Thrift
—Receivable from subsidiaries—Other
—Investment in subsidiaries—Thrift
—Investment in subsidiaries—Other
—Intangible assets—Servicing assets
—Intangible assets—Other
—Deferred policy acquisition costs
—Payable to subsidiaries—Thrift: Transactional
—Payable to subsidiaries—Thrift: Debt
—Payable to subsidiaries—Other: Transactional
—Payable to subsidiaries—Other: Debt
—Other debt maturing within 12 months
—Other debt maturing beyond 12 months
—Dividends received from thrift subsidiaries
—Dividends received from other subsidiaries
—Interest expense—on all other debt
—Other cash and cash equivalents received from thrift during the quarter
—Net cash flow from operations for the quarter.

• Add the following supplemental questions:

—Have any holding company subsidiaries been formed, sold, or dissolved during the quarter?
—Are you or any of your subsidiaries functionally regulated:
 —Registered broker-dealers regulated by the SEC and NASD?
 —Registered investment advisers regulated by the SEC?
 —Registered investment companies regulated by the SEC?
 —Insurance companies and agencies regulated by the states?
 —Entities regulated by the Commodity Futures Trading Commission?
—Has the holding company appointed any new senior executive officers or directors during the quarter?
—Has the holding company entered into a new pledge, or changed the terms and conditions of any existing pledge, of capital stock of any subsidiary savings association that secures short-term or long-term debt or other borrowings of the holding company?
—Have the rights of the holders of any class of securities of the holding company or its subsidiaries changed during the quarter?
—Has there been any default in the payment of principal, interest, a sinking or purchase fund installment, or any other default of the holding company or any of its subsidiaries during the quarter?
—Has there been a change in independent auditors during the quarter?
—Has there been a change during the quarter in the fiscal year-end month?
—Do you or any of your GAAP consolidated subsidiaries (other than the reporting thrift) control other U.S. depository institutions?
 ■ If so, provide the FDIC certificate number.
—Do you or any of your GAAP consolidated subsidiaries control a foreign depository institution?

The holding company would provide this information to the savings association, and the holding company schedule would continue to be filed as part of the TFR.

34. Reporting Frequency of Schedule CSS (Subordinate Organization Schedule)

In 1996, OTS reduced the reporting frequency of Schedule CSS from quarterly to annually in order to reduce reporting burden of the industry. While annual reporting of subordinate organizations was adequate at that time, we now have a need for more frequent reporting and propose to again collect Schedule CSS quarterly. The basic data for all subordinate organizations are contained in the OTS electronic filing software database; therefore, institutions would only be required to make necessary changes to the subordinate organization database and update financial data.

34. Consolidation of Subordinate Organizations

OTS proposes revising Schedule CSS to include the following question: ''Is this entity a GAAP-consolidated subsidiary of the parent savings association?'' The addition of this question would provide information as to whether the assets and liabilities of the subordinate organization are consolidated with the parent savings association in Schedule SC. An institution would respond ''No'' if the subordinate organization was not consolidated and was accounted for using the equity or cost method of accounting.

35. Schedule CCR (Capital Requirement)

OTS proposes to update Schedule CCR by making the following changes:

• Renumber the lines in Tier 1 Capital to be sequential;
• Eliminate the lines that are either obsolete or seldom used;
• Add lines for ''Other'' in each category under Tier 1 Capital and Supplementary Capital;
• Change the caption of CCR125 to ''Minority Interest and REIT Preferred Stock of Includable Consolidated Subsidiaries;'' the instructions for CCR125 were expanded in June 2002 to include REIT preferred stock;
• Change the caption of CCR115 and CCR155 to ''Goodwill and Certain Other Intangible Assets;'' adding the word ''Certain'' to these lines, since servicing rights are included as intangible assets under FASB Statement No. 142 but are not deducted on CCR115 and CCR155.
• Combine CCR408, ''Notes and Obligations of FDIC,'' and CCR410, ''FDIC Covered Assets,'' into one line;
• Expand CCR430, ''20% Risk Weight: High-quality MBS,'' to include asset-backed securities eligible for 20% risk weighting;
• Expand CCR470, ''50% Risk Weight: Other MBS Backed by Qualifying Mortgage Loans,'' to include Asset-Backed Securities eligible for 50% risk weighting; and
• Add a line in the 100% Risk Weight for ''Securities Risk Weighted at 100% Under the Ratings Based Approach.''

The following lines would be eliminated:

• CCR120, ''Nonqualifying Equity Instruments'';
• CCR130, ''Mutual Institutions' Nonwithdrawable Deposit Accounts Reported on SC710'';
• CCR320, ''Capital Certificates;'' and
• CCR330, ''Nonwithdrawable Deposit Accounts Not Reported on CCR130.''

Items that would have been reported on these lines would be included in the new ''Other'' categories. These changes are largely required by regulatory and accounting changes.

36. Shorter Deadlines for TFR, Including Schedules HC and CMR

Savings associations are required to submit their TFR electronically so that OTS receives it no later than thirty days after the quarter-end reporting date. Savings associations have been provided additional time (a total of forty-five days) to complete Schedule CMR (Consolidated Maturity and Rate) a schedule that addresses interest rate risk, and Schedule HC (Thrift Holding Company). This later due date was granted to allow more time in which to receive information from data service providers and holding companies that was needed to complete these schedules. OTS's monitoring and analysis of interest rate risk exposure in individual savings associations and for the thrift industry as a whole and of its holding company and affiliates' activity and exposure is impeded by the delayed submission of these schedules. Furthermore, with the technological advances over the past several years, savings associations have the ability to receive data from their data service providers and from their holding companies on a timelier basis and transmit it conveniently through the Electronic Filing System software provided by OTS. Therefore, OTS proposes to shorten the filing due date for the TFR from thirty (30) to twenty (20) calendar days after the end of the quarter, and for Schedules HC and CMR from forty-five (45) to thirty (30) calendar days after the end of the quarter. This would allow OTS to provide data publicly on an earlier schedule, provide for the compilation and timelier analysis of individual and aggregate statistics on the condition and performance of savings associations, and provide the Uniform Thrift Performance Report (UTPR) to associations on a timelier basis. An earlier deadline for Schedule CMR would also enable OTS to transmit the Interest Rate Risk Exposure Report to reporting associations on a timelier basis. With the advances in technology coupled with the improvements in OTS's electronic filing system software, earlier due dates should not create a significant burden to the industry.

Type of Review: Revision.

Affected Public: Business or for profit.

Estimated Number of Respondents and Recordkeepers: 950.

Estimated Time Per Respondent: 36.4 hours average for quarterly schedules and 1.9 hours average for schedules required only annually plus recordkeeping of an average of one hour per quarter.

Estimated Total Annual Burden Hours: 143,703 hours.

Because some of these proposed changes will not affect all savings associations that file the TFR, the burden hours reflected above may vary from institution to institution. OTS invites comment on how savings associations think the burden would change given these form changes.

Request for Comments: In addition to the issues presented above, comments are invited on:

(a) Whether the proposed revisions to the TFR collections of information are necessary for the proper performance of the agency's functions, including whether the information has 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 information collections on respondents, including through the use of automated collection techniques, the Internet, 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.

OTS will summarize or include comments submitted in response to this notice with the request for OMB approval. All comments will become a matter of public record.

Dated: January 16, 2003.

Deborah Dakin,

Deputy Chief Counsel, Regulations and Legislation Division.

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