

BILLING CODE 6720-01 P

DEPARTMENT OF THE TREASURY  
Office of Thrift Supervision  
[No. 95-157]

Proposed Reduction of Data Collected on the  
Thrift Financial Report

AGENCY: Office of Thrift Supervision, Treasury.

ACTION: Notice; request for comment.

SUMMARY: The Office of Thrift Supervision (OTS) requests comment on a proposal to fully consolidate and substantially reduce the amount of data submitted on the quarterly Thrift Financial Report (TFR). A streamlined, consolidated TFR has been developed in an effort to reduce the thrift industry's regulatory reporting burden while ensuring that the OTS will still collect information necessary to monitor safety and soundness. The effective date for the streamlined TFR would be June 1996.

DATES: Comments must be received on or before [Insert date 60 days from date of publication in the Federal Register].

ADDRESSES: Send comments to Chief, Dissemination Branch, Thrift Supervision, 1700 G Street, NW., Washington DC 20552, Attention Docket No. 95-157. These submissions may be hand delivered to 1700 G Street, NW. from 9:00 A.M. to 5:00 P.M. on business days; they may be sent by facsimile transmission to FAX Number (202) 906-7755. Comments will be available for inspection at 1700 G Street, NW., from 1:00 P.M. until 4:00 P.M. on business days.

software that facilitates the electronic preparation and filing of all regulatory reports.

## II. Description of Proposed Changes to 1996 TFR

After reviewing its current supervisory and examination needs, the OTS is proposing to eliminate 324 lines of data currently collected on the TFR. This decrease represents 40 percent of the TFR, exclusive of Schedule CMR, which is unaffected by this proposal. Lines of data and schedules that are no longer necessary because of changes in the industry's portfolio or OTS's supervisory priorities will no longer be collected. Only data that remain critical to meet supervisory needs, statutory mandates, or other important policy objectives will be collected.

OTS is providing copies of this notice and a line-by-line description of the proposed TFR changes to all OTS-regulated savings associations. All other interested parties may obtain a line-by-line description of the proposal by calling (202) 906-6078. The following gives a schedule-by-schedule overview of the types of changes the OTS is proposing:

### Schedule SC - Statement of Condition

1. Delete the detail regarding real estate held for investment; retain a subtotal for real estate held for investment.
2. Delete the breakdown of equity investment in and loans to service corporations and subsidiaries; retain a subtotal

for investments and loans to service corporations and subsidiaries.

3. Delete the detail of office premises and equipment; retain a subtotal for office premises and equipment.
4. Delete SC-680 (Property Leased to Others).

Schedule SO - Statement of Operations

1. Delete the item for penalties on early withdrawal of deposits.
2. Delete four items under noninterest income, which will be included in other noninterest income.
3. Combine net income from REO operations with gains and losses from the sale of REO and other repossessed assets.
4. Combine gains and losses on the sale of assets.

Schedule CA - Capital Accounts

Delete the entire schedule as it will be replaced by the expanded reconciliation of equity in Schedule CSI.

Schedule VA - Valuation Allowances

Delete the detail of charge-offs and recoveries for Cash, Deposits, and Investment Securities and Real Estate Held for Investment; retain a subtotal for these assets.

Schedule PD - Past Due

Delete the miscellaneous data on Schedule PD.

Schedule TA - Troubled Assets

Retain troubled debt restructured and classification of assets data and delete all other data in this schedule. Add a new item summarizing mortgage loans foreclosed during the quarter.

Schedule CC - Commitments and Contingencies

Delete information on futures, options, new commitments, and other miscellaneous data on commitments.

Schedule CF - Selected Cash Flow Information

Retain activity data on mortgage pool securities, mortgage loans, nonmortgage loans, and deposits and delete other miscellaneous data.

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Schedule SI - Supplemental Information

Deposit Data

1. Delete reference to deposits of \$80,000, retaining only the \$100,000 cut-off.
2. Delete data that can be obtained from Schedule CMR.

Other Data

Delete all data items in this section with the exception of SI-350 (Approximate Value of Trust Assets Administered) and SI-370 (Number of Full-time Equivalent Employees).

Equity Investments

Delete this section in its entirety.

Regulatory Liquidity

Retain the liquidity ratio and delete the amount of assets eligible for regulatory liquidity.

FSLIC Guarantees and Assistance

Delete these sections in their entirety.

**Schedule SQ - Supplemental Questions**

Retain questions concerning the structure of assets and liabilities and accounting considerations and delete all other questions.

**Schedule TR - Assets in Trading Accounts**

Delete this entire schedule and move data items regarding total assets held in trading accounts and securities available for sale and assets held for sale to Schedule SI.

**Schedule YD - Yields on Deposits**

Delete items referencing \$80,000 - \$100,000 certificate amounts.

**Schedule AS - Annual Supplement**

Delete the entire schedule.

**Schedule SB - Small Business Loans**

This schedule remains unchanged in accordance with Section 122 of the FDIC Improvement Act.

Schedules CSC and CSO - Consolidated Statements of Condition  
and Operations

Delete these two schedules in their entirety because Schedules SC and SO will be redefined to contain consolidated data.

Schedule CSI - Consolidated Supplemental Information

Delete all line items in this schedule except loan servicing, reconciliation of equity capital, asset repricing/maturing data and mutual fund and annuity sales, all of which will be moved to Schedule SI.

Schedule CSS - Consolidated Subsidiary Listing

Collect this schedule annually at December 31.

Schedule CCR - Consolidated Capital Requirement

Retain this schedule as is with the addition of one line to capture the assets of subsidiary depository institutions because these assets will not be consolidated in Schedule SC.

Schedule CMR - Consolidated Maturity/Rate

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No changes to this schedule.

### III. Alternatives Considered

The OTS considered several alternatives to make the TFR reporting process less burdensome. The OTS considered reducing the frequency of the reporting cycle from a quarterly report to a semiannual report, pursuant to the President's Memorandum of April 21, 1995 on "Regulatory Reform - Waiver of Penalties and Reduction of Reports," 60 FR 20621 (April 26, 1995). However, the reporting cycle has already been reduced from monthly to quarterly, and the OTS believes that for reasons of safety and soundness it cannot further reduce the reporting cycle. In light of the rapidity with which an institution's balance sheet can change, OTS is concerned that reducing the reporting cycle to semiannually may prevent the early identification of a deteriorating situation.

Section 307(b) of the Riegle Community Development and Regulatory Improvement Act of 1994 requires the Federal banking agencies to work jointly in adopting a single form for the filing of core financial information and to streamline the schedules supplementing the core information by eliminating data requirements that are not warranted for reasons of safety and soundness or other public interest purposes. The Federal banking agencies under the auspices of the Federal Financial Institutions Examination Council (FFIEC) have begun work on the development of a core report which may take several years to complete. Since the Commercial Bank Call Report (Call Report) is already prepared on a consolidated basis, the current OTS proposal to consolidate and condense the TFR is a

critical first step in reaching a uniform core report. OTS believes that at this time, this alternative provides greater benefit for both the thrift industry and OTS and avoids the extensive systems modifications and retraining of personnel required by converting to the Call Report immediately.

Finally, OTS considered whether the reporting burden for small savings associations could be appreciably reduced by developing a separate TFR for those institutions. OTS believes that such a separate schedule would not be consistent with supervisory needs. If an association is engaged in an activity, OTS's supervisory interest is the same regardless of the institution's size. Under the current TFR structure, savings associations need not complete line items on schedules for activities in which they are not engaged.

#### **IV. Request for Comment**

The OTS invites comment on all aspects of the proposal and, in particular, whether the proposal will in fact reduce the TFR reporting burden. Consideration should be given to the amount of data collected, the ease of obtaining the data, and the extent to which cost savings would be realized over time as well as the estimated amount of implementation costs. The current average burden associated with the collection of the 1995 TFR is estimated to be 39.1 hours per response, including the completion of Schedule CMR. The projected average burden for the proposed TFR, including Schedule CMR, is 29.1 hours. Comment is also desired on whether an implementation date of June 1996 (rather than March) would

impose a hardship on reporting savings associations or on other users of the financial data.

The OTS is also interested in receiving comments on whether the filing deadline for Schedule CMR should be changed from the current 45 days after the close of the quarter to 40 days, or 30 days to coincide with the TFR filing deadline. This change in the CMR reporting deadline would facilitate an earlier transmittal of the OTS Interest Rate Risk Exposure Report to reporting savings associations. Currently, a number of savings associations of all sizes and with a variety of portfolios file Schedule CMR within 30 days of the end of the quarter.

**V. Paperwork Reduction Act**

The reporting requirements contained in this notice have been submitted to the Office of Management and Budget for review in accordance with the Paperwork Reduction Act of 1980 (44 U.S.C. 3504(h)). Comments on the collections of information should be sent to the Office of Management and Budget, Paperwork Reduction Project (1550), Washington, DC 20503, with copies to the Office of Thrift Supervision, 1700 G Street, N.W., Washington DC 20552.

The reporting requirements in this notice are found in 12 CFR 562.1(b)(2). The information is needed by the OTS to

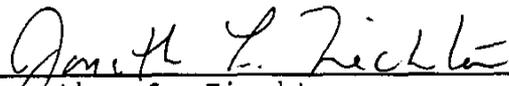
supervise savings associations and develop regulatory policy.  
The likely record keepers are OTS regulated savings  
associations.

Estimated number of record keepers:	1,514
Estimated average annual burden per record keeper:	116.4 hours
Estimated annual frequency of record keeping:	4 (Quarterly)
Estimated total annual record keeping burden:	176,230 hours

By The Office of Thrift Supervision

DATED:

August 18, 1995

  
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Jonathan L. Fiechter  
Acting Director