

**MATTER TO BE CONSIDERED DURING PORTIONS OPEN TO THE PUBLIC:**

- Procedures for Resolution of Outstanding Examination or Supervisory Issues.

**CONTACT PERSON FOR MORE INFORMATION:**

Elaine L. Baker, Secretary to the Board,  
(202) 408-2837.

Bruce A. Morrison,  
*Chairman.*

[FR Doc. 96-19370 Filed 7-25-96; 4:00 pm]

BILLING CODE 6725-01-P

**FEDERAL MARITIME COMMISSION****Security for the Protection of the Public Indemnification of Passengers for Nonperformance of Transportation; Notice of Issuance of Certificate (Performance)**

Notice is hereby given that the following have been issued a Certificate of Financial Responsibility for Indemnification of Passengers for Nonperformance of Transportation pursuant to the provisions of Section 3, Public Law 89-777 (46 U.S.C. 817(e)) and the Federal Maritime Commission's implementing regulations at 46 CFR part 540, as amended:

Cape Canaveral Cruise Line, Inc. and Cape Canaveral Cruise Line Tour and Travel, Inc., 101 George King Blvd., Cape Canaveral, Florida 32920.

Vessel: DOLPHIN IV

Dated: July 24, 1996.

Joseph C. Polking,  
*Secretary.*

[FR Doc. 96-19156 Filed 7-26-96; 8:45 am]

BILLING CODE 6730-01-M

**Security for the Protection of the Public Financial Responsibility To Meet Liability Incurred for Death or Injury to Passengers or Other Persons on Voyages; Notice of Issuance of Certificate (Casualty)**

Notice is hereby given that the following have been issued a Certificate of Financial Responsibility to Meet Liability Incurred for Death or Injury to Passengers or Other Persons on Voyages pursuant to the provisions of section 2, Public Law 89-777 (46 U.S.C. 817(d)) and the Federal Maritime Commission's implementing regulations at 46 CFR part 540, as amended:

Cape Canaveral Cruise Line, Inc., Ulysses Cruises, Inc. and the Kosmas Shipping Group, Inc., 101 George King Blvd., Cape Canaveral, Florida 32920.

Vessel: DOLPHIN IV

Dated: July 24, 1996.

Joseph C. Polking,

*Secretary.*

[FR Doc. 96-19157 Filed 7-25-96; 8:45 am]

BILLING CODE 6730-01-M

**Security for the Protection of the Public Indemnification of Passengers for Nonperformance of Transportation; Notice of Issuance of Certificate (Performance)**

Notice is hereby given that the following have been issued a Certificate of Financial Responsibility for Indemnification of Passengers for Nonperformance of Transportation pursuant to the provisions of Section 3, Public Law 89-777 (46 U.S.C. 817(e)) and the Federal Maritime Commission's implementing regulations at 46 CFR part 540, as amended:

Princess Cruises, Inc., Princess Cruise Lines, Inc. and The Peninsular and Oriental Steam Navigation Company, 10100 Santa Monica Blvd., Los Angeles, CA 90067.

Vessels: CROWN PRINCESS, REGAL PRINCESS, SUN PRINCESS

Princess Cruises, Inc., Princess Cruises Liberia, Inc. and The Peninsular and Oriental Steam Navigation Company, 10100 Santa Monica Blvd., Los Angeles, CA 90067.

Vessels: FAIR PRINCESS, GOLDEN PRINCESS, STAR PRINCESS

Princess Cruises, Inc., P & O Lines (Shipowners) Limited and The Peninsular and Oriental Steam Navigation Company, 10100 Santa Monica Blvd., Los Angeles, CA 90067.

Vessels: ISLAND PRINCESS, PACIFIC PRINCESS, ROYAL PRINCESS, SKY PRINCESS

Dated: July 24, 1996.

Joseph C. Polking,  
*Secretary.*

[FR Doc. 96-19154 Filed 7-26-96; 8:45 am]

BILLING CODE 6730-01-M

**Security for the Protection of the Public Financial Responsibility To Meet Liability Incurred for Death or Injury to Passengers or Other Persons on Voyages; Notice of Issuance of Certificate (Casualty)**

Notice is hereby given that the following have been issued a Certificate of Financial Responsibility to Meet Liability Incurred for Death or Injury to Passengers or Other Persons on Voyages pursuant to the provisions of Section 2, Public Law 89-777 (46 U.S.C. 817(d)) and the Federal Maritime Commission's implementing regulations at 46 CFR part 540, as amended:

Princess Cruises, Inc., Princess Cruise Lines, Inc., The Peninsular and Oriental Steam

Navigation Company and Astramar S.p.A., 10100 Santa Monica Blvd., Los Angeles, CA 90067.

Vessels: CROWN PRINCESS, REGAL PRINCESS, SUN PRINCESS

Princess Cruises, Inc., P & O Lines (Shipowners) Limited, The Peninsular and Oriental Steam Navigation Company and Abbey National March Leasing (1) Ltd., 10100 Santa Monica Blvd., Los Angeles, CA 90067.

Vessels: ISLAND PRINCESS, PRINCESS PACIFIC

Princess Cruises, Inc., Princess Cruises Liberia, Inc., The Peninsular and Oriental Steam Navigation Company and Birka Cruises Limited, 10100 Santa Monica Blvd., Los Angeles, CA 90067.

Vessel: GOLDEN PRINCESS

Princess Cruises, Inc., Princess Cruises Liberia, Inc., and The Peninsular and Oriental Steam Navigation Company, 10100 Santa Monica Blvd., Los Angeles, CA 90067.

Vessel: FAIR PRINCESS

Princess Cruises, Inc., P & O Lines (Shipowners) Limited, The Peninsular and Oriental Steam Navigation Company and Howill Shipping Ltd., 10100 Santa Monica Blvd., Los Angeles, CA 90067.

Vessel: ROYAL PRINCESS

Princess Cruises, Inc., P & O Lines (Shipowners) Limited and The Peninsular and Oriental Steam Navigation Company, 10100 Santa Monica Blvd., Los Angeles, CA 90067.

Vessel: SKY PRINCESS

Princess Cruises, Inc., Princess Cruises Liberia, Inc., The Peninsular and Oriental Steam Navigation Company and Cosedia Marine, Inc., 10100 Santa Monica Blvd., Los Angeles, CA 90067.

Vessel: STAR PRINCESS

Dated: July 24, 1996.

Joseph C. Polking,

*Secretary.*

[FR Doc. 96-19155 Filed 7-26-96; 8:45 am]

BILLING CODE 6730-01-M

**FEDERAL RESERVE SYSTEM****Agency Information Collection Activities: Submission to OMB Under Delegated Authority****Background**

Notice is hereby given of the final approval of proposed information collections by the Board of Governors of the Federal Reserve System (Board) under OMB delegated authority, as per 5 CFR 1320.16 (OMB Regulations on Controlling Paperwork Burden on the Public). The Federal Reserve may not conduct or sponsor, and the respondent is not required to respond to, an information collection that has been extended, revised, or implemented on or after October 1, 1995, unless it displays a currently valid OMB control number.

**FOR FURTHER INFORMATION CONTACT:**

Federal Reserve Board—Mary M. McLaughlin, Chief, Financial Reports Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, DC 20551 (202-452-3829). Telecommunications Device for the Deaf (TDD) users may contact Dorothea Thompson (202-452-3544), Board of Governors of the Federal Reserve System, Washington, DC 20551.

OMB Desk Officer—Alexander T. Hunt, Office of Information and Regulatory Affairs, Office of New Management and Budget, New Executive Office Building, Room 3208, Washington, DC 20503 (202-395-7860).

**SUPPLEMENTARY INFORMATION:**

General Information and Public Comment

On April 1, 1996, the Board announced for public comment a proposal for a three-year extension, with revisions, of three reports commonly referred to as the "weekly condition/bank credit" reports: (1) the "Weekly Report of Assets and Liabilities for Large Banks" (FR 2416; OMB No. 7100-0075), (2) the "Weekly Report of Selected Assets" (FR 2644; OMB No. 7100-0075), and (3) the "Weekly Report of Assets and Liabilities for Large U.S. Branches and Agencies of Foreign Banks" (FR 2069; OMB No. 7100-0030). The comment period expired on May 31, 1996. The Board received two comment letters, both from bank holding companies, one addressing both the FR 2416 and FR 2644 and the other addressing only the FR 2416. An overview of the three reports and of the revisions initially proposed for each is provided below, followed by a discussion of the comments that were received and final Board action on each.

Final approval under OMB delegated authority of the revision of the following reports:

1. *Report Title:* Weekly Report of Assets and Liabilities for Large Banks.

*Agency Form Number:* FR 2416

*OMB Control Number:* 7100-0075.

*Frequency:* Weekly.

*Reporters:* Large U.S. chartered commercial banks.

*Annual Reporting Hours:* 46,592.

*Estimated Average Hours Per*

*Response:* Range: 1 to 40. Mean: 7.00. Median: 4.00.

*Number of Respondents:* 128.

Small businesses are not affected.

*General Description of Report:* This information collection is voluntary (12 U.S.C. §§ 225(a) and 248(a)(2)) and is given confidential treatment (5 U.S.C. § 552(b)(4)).

*Effective Date:* Data as of Wednesday, October 2, 1996.

2. *Report title:* Weekly Report of Selected Assets.

*Agency Form Number:* FR 2644.

*OMB Control Number:* 7100-0075.

*Frequency:* Weekly.

*Reporters:* U.S. chartered commercial banks.

*Annual Reporting Hours:* 47,476.

*Estimated Average Hours Per*

*Response:* Range: 0.125 to 3. Mean: 0.83. Median: 0.75.

*Number of Respondents:* 1,100.

Small businesses are affected.

*General Description of Report:* This information collection is voluntary (12 U.S.C. §§ 225(a) and 248(a)(2)) and is given confidential treatment (5 U.S.C. § 552(b)(4)).

*Effective Date:* Data as of Wednesday, October 2, 1996.

3. *Report Title:* Weekly Report of Assets and Liabilities for Large U.S. Branches and Agencies of Foreign Banks.

*Agency Form Number:* FR 2069.

*OMB Control Number:* 7100-0030.

*Frequency:* Weekly.

*Reporters:* U.S. branches and agencies of foreign (non-U.S.) banks.

*Annual Reporting Hours:* 27,269.

*Estimated Average Hours Per*

*Response:* Range: 4 to 8. Mean: 5.70. Median: 5.00.

*Number of Respondents:* 92.

Small businesses are not affected.

*General Description of Report:* This information collection is voluntary (12 U.S.C. § 3105(b)(2)) and is given confidential treatment (5 U.S.C. § 552(b)(4)).

*Effective Date:* Data as of Wednesday, October 2, 1996.

**Overview**

The "Weekly Report of Assets and Liabilities for Large Banks" (FR 2416) is a detailed balance sheet report that is collected as of each Wednesday from about 160 large U.S. commercial banks. The "Weekly Report of Selected Assets" (FR 2644) is a considerably less detailed report that is collected as of each Wednesday from a stratified sample of about 1,100 smaller U.S. commercial banks. The "Weekly Report of Assets and Liabilities for Large U.S. Branches and Agencies of Foreign Banks" (FR 2069) is a balance sheet report that is collected as of each Wednesday from a sample of about 68 institutions.

These three reports are mainstays of the Federal Reserve's reporting system from which data for analysis of current banking developments are derived. The FR 2416 is used on a stand-alone basis as the "large domestic bank series." All three reports, together with data from

other sources, are used for constructing weekly estimates of bank credit, of sources and uses of bank funds, and of a balance sheet for the banking system as a whole. These series are used in estimating the banking sector of the Flow of Funds Accounts and bank components of domestic nonfinancial debt, a variable monitored by the Federal Open Market Committee (FOMC).

The Federal Reserve publishes the data in aggregate form in two statistical releases that are followed closely by other government agencies, the banking industry, the financial press, and other users. These are the weekly H.8, "Assets and Liabilities of Commercial Banks in the United States" (which provides a balance sheet for the banking industry as a whole), and the H.4.2, "Weekly Consolidated Condition Report of Large Commercial Banks in the United States" (which provides aggregates both for large commercial banks and for large U.S. branches and agencies of foreign banks).

**Revisions to FR 2416 Under Initial Proposal**

*Item set.* A substantial reduction was proposed in the number of items collected on the FR 2416, eighteen items on a gross basis and nine items on a net basis. The proposed reduction in items reflected an earlier reassessment, carried out in connection with a consolidation of three published bank credit releases into one, about the degree of balance sheet detail necessary to understand key developments in bank credit and bank funding activities. The proposed reduction in items also reflected the Federal Reserve's judgment that some of the deposit ownership detail collected, in part for purposes of constructing the monetary aggregates, could be adequately replaced with information available on the quarterly Report of Condition (Call Report) (FFIEC 031-034; OMB No. 7100-0036). Three items proposed to be added to the FR 2416 resulted from two changes to regulatory reporting, beginning with the March 1994 Call Report, each of which was made to comply with new accounting standards. The first caused a substantial part of bank securities holdings outside trading accounts to be marked to market, and the second resulted in banks reporting separate values for revaluation gains and losses on off-balance-sheet contracts, rather than a single net figure. Another item, trading liabilities, also was added to maintain consistency with the Call Report, to which this item was added since the last time the FR 2416 went through the clearance process. Items also were

proposed to monitor banks' activities in the mortgage-backed securities and commercial real estate markets and to measure more accurately their nondeposit funding activities. A new item on large time deposits held as assets by the reporting bank was proposed as an aid in the construction of the monetary aggregates.

**Reporting panel.** Under the initial proposal, FR 2416 panel revisions would continue to be guided by the "flexible" approach developed in 1988 in order to avoid widespread disruptions. A general cutoff applied to total domestic assets would continue to be used for panel selection in order to provide coverage of a little more than 50 percent of total assets in U.S. offices of U.S.-chartered commercial banks. Taking into account growth in the banking system as well as other factors, the current cutoff of \$3.5 billion, which was established in 1990, would be raised to \$6.0 billion. However, only those nonreporters whose growth places them well above the new cutoff would be added. Conversely, some current respondents slightly below the new cutoff would be retained, in some cases to provide adequate regional coverage and in other cases to minimize the disruptions caused by dropping and then reinstating respondents (those with assets near the cutoff) from one panel revision to the next. Under this approach, 118 existing reporters would be retained, 21 would be dropped, and 10 new reporters would be added, for a net reduction of 7 in the actual panel size.

#### Proposed Revisions to FR 2644

The proposal increased the item count for the FR 2644 by two, allowing the collection of additional information from smaller banks on their presence in the mortgage securities market and on their nondeposit funding activities, consistent with two of the proposed changes for the FR 2416. Also, a minor definitional change was proposed to two items to bring them into line with the FR 2416 and the Call Report. Proposed panel changes reflected switches between the FR 2416 and FR 2644 panels based on changes in relative size since the last report renewal.

#### Proposed Revisions to FR 2069

Consistent with the approach taken for the FR 2416, some asset and deposit liability items collected on the FR 2069 were proposed to be consolidated, resulting in a gross reduction of five items. At the same time, six additional items were proposed, resulting in an overall net addition of one item. Two of the new items were necessitated by the

addition to the branch and agency Call Report (FFIEC 002; OMB No. 7100-0032) of a separate item for trading account securities and need to continue classifying banks' securities holdings between U.S. Government and other. As with the FR 2416, an item for trading liabilities also was added in order to be consistent with the branch and agency Call Report. Again consistent with the FR 2416, the proposal added items to measure gross revaluation gains and gross revaluation losses on off-balance-sheet contracts. The sixth new item, which also paralleled the treatment of the FR 2416, added an item on large time deposits held as assets by the reporting bank, as an aid in the construction of the monetary aggregates.

To strengthen the weekly estimates of balance sheet data for branches and agencies, it was proposed that the existing panel of 67 reporters be expanded to add 24 institutions having mainly European parent banks. Branches and agencies having European parents are significantly underrepresented in the current sample.

#### Implementation Date

It was proposed that the revised series be implemented as of October 2, 1996, the first Wednesday after the September Call Report date (September 30, 1996).

#### Public Comments

Two comment letters were received, one addressing both the FR 2416 and FR 2644 and the other addressing only the FR 2416. No comments were received on the FR 2069.

#### Loan Schedule

The commentator addressing both the FR 2416 and FR 2644 noted that the difficulty in preparing both these reports results from reporting detailed loan data according to regulatory classifications, which differ significantly from SEC classifications and from banks' own internal reporting classifications. The commentator suggests that reporting burden could be reduced substantially if detailed loan data could be reported on both the FR 2416 and the FR 2644 according to SEC Guide 3 classifications or to banks' own internal reporting classifications.

With respect to banks' own individual internal classifications, the Federal Reserve needs data reported under standard definitions by all banks in order to construct meaningful aggregates. It would be difficult, if not impossible, to construct meaningful aggregates from individual bank data reported according to what likely would be a variety of definitions and classifications.

With respect to SEC loan classifications, these are broader than what is now collected on the FR 2416. For example, domestic commercial and industrial loans, loans to financial institutions, and agricultural loans are included in a single loan category. Such a broad aggregation on the FR 2416 would make it impossible to track borrowing by the commercial and industrial sector and the agricultural sector separately. It would also make it impossible to construct estimates of lending by the banking system to nonbanks, since interbank lending would be unobservable.

In the longer run, however, the Federal Reserve will continue to explore possible changes to the loan schedule that could reduce respondent burden and yet still meet the Federal Reserve's data needs.

This commentator noted that other than the loan detail, all other items reported on the FR 2416 and FR 2644 are readily available and cause no significant reporting burden.

The second commentator made a number of suggestions regarding the FR 2416, some of a more general nature and others addressing specific data items.

#### Elimination of the FR 2416

The commentator recommended elimination of the FR 2416, noting that filing this report is a significant reporting burden and places reporting banks at a disadvantage compared to nonbank competitors. In light of this competitive disadvantage, the commentator urged the Board to consider elimination of this report, or, at a minimum, reduce the level of data captured and the frequency of reporting.

Given the uses cited above, the Federal Reserve believes that the FR 2416 should continue to be collected, and at the current weekly frequency. Because commercial banks play a pivotal role in the transmission of monetary policy, the Federal Reserve System requires high-frequency data from which a balance sheet for the whole banking system can be constructed. The FR 2416 provides these data for large domestically chartered commercial banks. Sufficient detail must be available to track the major components of bank credit and the broad outlines of bank funding.

At the same time, in response to this commentator, in addition to the 18 existing items already proposed for deletion, two of the proposed items will be dropped: "Loans to other nonbank financial institutions" and "large time deposits held as assets." (Detailed discussion is provided below.)

### RAP/GAAP Differences

This commentator also noted that the federal banking agencies are in the process of implementing changes to adopt generally accepted accounting principles (GAAP) for the Call Report. The commentator further states that the proposed changes to the FR 2416 "would maintain GAAP/RAP reporting differences and would require additional information that differs from GAAP, from current RAP reporting requirements (in some cases) and from the information used to manage [the bank's] business."

The Federal Reserve points out that, under current practice, the FR 2416 is tied directly to the Call Report. Indeed, a number of changes proposed for the FR 2416 were made in response to changes already made to the Call Report. When GAAP is adopted for the Call Report, currently scheduled for March 1997, corresponding changes will be made as appropriate to the FR 2416.

### Interstate Banking

The commentator believes the Board should consider the impact of interstate banking in developing reporting requirements. The commenting bank manages its business by line of business rather than by legal entity, and thus uses information internally by line of business.

The Federal Reserve has a number of efforts underway to develop plans for account structures and other operational processes in a full interstate banking environment. Reporting requirements also are being studied. These efforts will continue as experience is gained with developments in a full interstate banking environment.

### Revaluation Gains and Losses

In response to a decision by the Financial Accounting Standards Board, since 1994 banks have included revaluation gains and losses on off-balance-sheet derivative positions on the asset and liability sides of their balance sheets, respectively. Prior to 1994, only the net of these positions—a much smaller number—was reported on banks' balance sheets. As a result of the 1994 change, the item on the FR 2416 that includes revaluation gains, "other trading account assets" (new Item 2.b), has become much more volatile. Since this volatility is unrelated to banks' extension of credit, its presence distorts the bank credit data as well as banks' apparent funding needs. For this reason, the initial proposal called for banks to report the revaluation gains component of "other trading account assets" as a memo item

(new Item M.2). Similarly, the value for revaluation losses already included in "trading liabilities" would be reported as new Item M.6.

The commentator has suggested that reporting revaluation gains and losses only for the domestic side of the bank would be misleading because the bank's off-balance-sheet position is best understood for the entire bank. The commentator also indicated that reported measures of revaluation gains and losses could not be given the same attention on a weekly basis as they are for purposes of completing the quarterly Call Report. Regarding the first point, the Federal Reserve had proposed collecting these items not to monitor the off-balance-sheet activities of respondent banks, but in order to adjust their reported domestic balance sheets for the impact of revaluation gains and losses.

Concerning the second point, the Federal Reserve recognizes that different respondent banks will mark to market their off-balance-sheet positions at different frequencies, perhaps less often than weekly. Indeed, the initial proposal document and the draft reporting instructions both stated that banks that revalue less frequently than weekly would report each week the most recent value for net unrealized gains or losses. When a new value becomes available, that value would then be reported. As noted above, the Board's purpose for collecting these memo items is to adjust the balance sheet for their values already reported on it. This purpose is fully served even if the values contained in Items M.2 and M.6, and on the balance sheet itself, are marked to market less than weekly. The Federal Reserve believes that the bank credit and bank balance sheet data can be much better understood if this information on banks' off-balance-sheet activities is reported separately as initially proposed. To highlight that revaluation at a frequency less than weekly is fully acceptable for Items M.2 and M.6 (and also for Item M.7), a note will be added to the FR 2416 reporting form itself. A similar note will be added to the FR 2069 form, which also collects revaluation gains and losses.

### Federal Funds Sold and Securities Purchased Under Agreements to Resell

Under the initial proposal, the reporting of "federal funds sold and securities purchased under agreements to resell" (FF/RPs) would continue to be disaggregated into the three current customer groups: (1) Other banks, (2) nonbank brokers and dealers in securities, and (3) other. The commentator noted that information

about counterparties is not used internally for any other purpose. This commentator also noted that these positions would be reported on a net basis [if certain conditions are met] under GAAP, but that they must be reported gross on the FR 2416 because it is governed by RAP.

Regarding the first point, the Federal Reserve has collected the current disaggregation of FF/RPs since 1969. This disaggregation continues to be necessary to isolate FF/RP loans to banks in order to measure the amount of credit banks are providing to nonbanks. (Other interbank loans are broken out for the same reason.) FF/RP loans to nonbank securities dealers are combined with other loans to nonbank security dealers to provide a measure of credit supplied by banks to this important sector of the financial economy. Lending to nonbank brokers and dealers is substantial and volatile.

As for the second point, as noted earlier, the FR 2416 follows the Call Report with respect to RAP as opposed to GAAP reporting. When GAAP is adopted for the Call Report, it also will be adopted for the FR 2416.

### Loans Secured by Commercial Real Estate

Under the initial proposal, loans secured by commercial real estate would be collected separately from other loans that are secured by real estate. Commercial real estate loans are also collected separately on the Call Report, albeit in more disaggregated form than proposed for the FR 2416. The commentator has objected that this FR 2416 proposal could provide a misleading picture of the bank's exposure within the real estate loan market.

However, the Federal Reserve's purpose of collecting this information on the weekly FR 2416 is *not* to assess a particular bank's exposure to any market. Rather, this item is sought in order to have available a timely measure of the banking system's lending to the commercial real estate sector. From time to time—the early 1990s provide a prime example—the commercial real estate market and the credit provided to it become a matter of intense interest to policy makers, one that has been impossible to meet satisfactorily only with quarterly Call Report data. For these reasons, loans secured by commercial real estate will be collected separately as originally proposed.

Loans to Nonbank Depository Institutions and Other Financial Institutions

The current version of the FR 2416 collects an item on "loans to nonbank depository institutions and other financial institutions" (these are mainly thrift institutions, mortgage companies, life insurance companies, and finance companies). Under the initial proposal, this item was retained (Item 5.b.(2) on the revised form). This item is one of very few on the FR 2416 that differs from the Call Report, which contains a separate item for loans to thrift institutions but places loans to other nonbank financial institutions in the "all other" loan category. The commentator noted that this difference in reporting treatment between the FR 2416 and the Call Report is quite burdensome.

This difference between the Call Report and the FR 2416 began in 1984 as a result of changes at that time to the Call Report that grouped loans to all nonbank financial institutions—other than thrifts—with "all other" loans. At that time, total loans to all nonbank financial institutions was deemed to be a useful component for analysis of bank credit, and such a total was retained on the FR 2416. The Federal Reserve has found the information contained in this category useful. For example, it was the only timely indication of bank lending to this sector in the early 1990s when many nonbank financial institutions were undergoing financial stress. More recently, however, these loans have been of less interest, and, in these circumstances, they do not seem to merit an exception to the Federal Reserve's principle that the FR 2416 be, as far as possible, in conformity with the Call Report. Therefore, the item "loans to other nonbank financial institutions" will be dropped as a separate item and instead will be included in the "all other" loan category.

The same change would be made to the FR 2069. Item 5.c, "Loans to other depository institutions in the U.S. and to other financial institutions" will be dropped as a separate item and instead will be included in the "all other loan" category.

Large Time Deposits Held as Assets

Under the initial proposal, an item was added to the FR 2416 to measure banks' holdings of other banks' large time deposits. The commentator noted that this information is not requested by any other internal or external party and that the information is not readily available and, consequently, would have to be developed with a separate reporting mechanism. The item was proposed to be added to the FR 2416 because it would aid in the construction of the monetary aggregate M3. M3 includes all bank deposit liabilities other than those due to other banks and the U.S. government. Because large time deposits may be negotiable, netting of bank holdings of large time deposits is better done with asset rather than liability measures. Currently, this is done using data from the Call Report. The purpose of the proposed addition of large time deposit assets to the FR 2416 was to get more timely measures of this item for purposes of constructing weekly estimates of M3. However, although the availability of weekly data would improve weekly estimates of M3, given the substantial additional reporting burden this item apparently would put on respondents, the Federal Reserve now believes that the cost of collecting this item likely would exceed its benefit. Therefore, this item will not be added to the FR 2416. For these reasons, the proposal to add large time deposit assets to the FR 2069 also would be dropped. Instead, the required netting will continue to be done using Call Report data.

Borrowings Breakdowns

The initial proposal disaggregated the borrowings item on the FR 2416 into two components: (1) Borrowings from commercial banks in the United States and (2) borrowings from all others. The commentator has noted that this information is not used internally and is not requested for any other purpose. The commentator also noted that the bank's nonbank competitors are not required to monitor and maintain this type of information. This commentator noted as well that the information requested is similar to that currently reported on the FR 2415, "Report of Selected Borrowings."

The Federal Reserve had proposed this breakdown on the FR 2416 to improve its estimates of bank financing from outside the banking system. The Board staff currently uses the FR 2415 for this purpose, but has found it inadequate to accurately measure bank versus nonbank borrowing because the FR 2415 deals with only a part of borrowing. In view of the need to properly analyze bank funding patterns, an exercise that is part of efforts to explain bank deposit and, therefore, money supply behavior, the Federal Reserve continues to believe that the requested split in borrowings is merited.

Estimates of Respondent Burden

Burden estimates are based on information obtained by the Reserve Banks from samples of respondents as well as on information from the two public commentators. The following table summarizes individual respondent information on the number of hours needed to prepare both the current version and the initially proposed revised version of these reports each week.

BILLING CODE 6210-01-P

	Hours per week to complete report					
	Range		Mean		Median	
	Current	Proposed	Current	Proposed	Current	Proposed
FR 2416	1 to 32	1 to 40	6.50	7.00	4.00	4.00
FR 2644	0.125 to 2	0.125 to 3	0.75	0.83	0.75	0.75
FR 2069	3 to 7	4 to 8	5.00	5.70	5.00	5.00

## BILLING CODE 6210-01-C

Even though the initial proposal resulted in a net reduction in the number of data items for the FR 2416 and a net addition of only one item for the FR 2069, a number of respondents believed that burden associated with the proposed additional items more than outweighed burden reductions accruing from the item deletions. The average burden associated with the final versions of the two reports should be somewhat less than shown above, however, since two of the more burdensome items initially proposed (one existing and one new) have now been deleted. Nevertheless, the mean values from the above table were used for the "estimated average hours per response" shown earlier in this document.

Board of Governors of the Federal Reserve System, July 23, 1996.

William W. Wiles,  
Secretary of the Board.

[FR Doc. 96-19164 Filed 7-26-96; 8:45am]

Billing Code 6210-01-P

### Formations of, Acquisitions by, and Mergers of Bank Holding Companies

The company listed in this notice has applied to the Board for approval, pursuant to the Bank Holding Company Act of 1956 (12 U.S.C. 1841 *et seq.*) (BHC Act), Regulation Y (12 CFR Part 225), and all other applicable statutes and regulations to become a bank holding company and/or to acquire the assets or the ownership of, control of, or the power to vote shares of a bank or bank holding company and all of the banks and nonbanking companies owned by the bank holding company, including the companies listed below.

The application listed below, as well as other related filings required by the Board, are available for immediate inspection at the Federal Reserve Bank indicated. Once the application has been accepted for processing, it will also be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the standards enumerated in the BHC Act (12 U.S.C. 1842(c)). If the proposal also involves the acquisition of a nonbanking company, the review also includes whether the acquisition of the nonbanking company complies with the standards in section 4 of the BHC Act, including whether the acquisition of the nonbanking company can "reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue

concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices" (12 U.S.C. 1843). Any request for a hearing must be accompanied by a statement of the reasons a written presentation would not suffice in lieu of a hearing, identifying specifically any questions of fact that are in dispute, summarizing the evidence that would be presented at a hearing, and indicating how the party commenting would be aggrieved by approval of the proposal. Unless otherwise noted, nonbanking activities will be conducted throughout the United States.

Unless otherwise noted, comments regarding the application must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than August 22, 1996.

A. Federal Reserve Bank of Chicago (James A. Bluemle, Vice President) 230 South LaSalle Street, Chicago, Illinois 60690:

1. *Lakes Region Bancorp, Inc.*, Bannockburn, Illinois; to become a bank holding company by acquiring 100 percent of the voting shares of Anchor Bank, Third Lake, Illinois.

Board of Governors of the Federal Reserve System, July 23, 1996.

Jennifer J. Johnson

Deputy Secretary of the Board

[FR Doc. 96-19166 Filed 7-26-96; 8:45 am]

BILLING CODE 6210-01-F

### Notice of Proposals to Engage in Permissible Nonbanking Activities or to Acquire Companies that are Engaged in Permissible Nonbanking Activities

The company listed in this notice has given notice under section 4 of the Bank Holding Company Act (12 U.S.C. 1843) (BHC Act) and Regulation Y, (12 CFR Part 225) to engage *de novo*, or to acquire or control voting securities or assets of a company that engages either directly or through a subsidiary or other company, in a nonbanking activity that is listed in § 225.25 of Regulation Y (12 CFR 225.25) or that the Board has determined by Order to be closely related to banking and permissible for bank holding companies. Unless otherwise noted, these activities will be conducted throughout the United States.

The notice is available for inspection at the Federal Reserve Bank indicated. Once the notice has been accepted for processing, it will also be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the question whether the proposal complies with the standards of section 4 of the

BHC Act, including whether consummation of the proposal can "reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices" (12 U.S.C. 1843). Any request for a hearing on this question must be accompanied by a statement of the reasons a written presentation would not suffice in lieu of a hearing, identifying specifically any questions of fact that are in dispute, summarizing the evidence that would be presented at a hearing, and indicating how the party commenting would be aggrieved by approval of the proposal.

Unless otherwise noted, comments regarding the application must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than August 12, 1996.

A. Federal Reserve Bank of Richmond (Lloyd W. Bostian, Jr., Senior Vice President) 701 East Byrd Street, Richmond, Virginia 23261:

1. *F&M Bancorp*, Frederick, Maryland; to acquire Home Federal Corporation, Hagerstown, Maryland, and thereby indirectly acquire Home Federal Savings Bank, Hagerstown, Maryland, and thereby engage in operating a savings association; selling credit life and health insurance in connection with extensions of credit by affiliates; providing securities brokerage services related to buying and selling securities solely as agent for the account of customers, in combination with investment advisory services, pursuant to § 225.25(b)(8)(i), (9), and (15)(ii) of the Board's Regulation Y.

Board of Governors of the Federal Reserve System, July 23, 1996.

Jennifer J. Johnson

Deputy Secretary of the Board

[FR Doc. 96-19165 Filed 7-26-96; 8:45 am]

BILLING CODE 6210-01-F

## DEPARTMENT OF HEALTH AND HUMAN SERVICES

### Office of the Secretary

### Findings of Scientific Misconduct

**AGENCY:** Office of the Secretary, HHS.  
**ACTION:** Notice.

**SUMMARY:** Notice is hereby given that the Office of Research Integrity (ORI) has made final findings of scientific misconduct in the following case: