

**DEPARTMENT OF THE TREASURY**  
**Office of the Comptroller of the Currency**  
**12 CFR Part 3**  
**[Docket No. 06-09]**  
**RIN 1557-AC91**

**FEDERAL RESERVE SYSTEM**  
**12 CFR Parts 208 and 225**  
**[Regulations H and Y; Docket No. R-1261]**

**FEDERAL DEPOSIT INSURANCE CORPORATION**  
**12 CFR Part 325**  
**RIN**

**DEPARTMENT OF THE TREASURY**  
**Office of Thrift Supervision**  
**12 CFR Part 566**  
**Docket No. 2006-33**  
**RIN 1550-AB56**

**Risk-Based Capital Standards: Advanced Capital Adequacy Framework**

**AGENCIES:** Office of the Comptroller of the Currency, Treasury; Board of Governors of the Federal Reserve System; Federal Deposit Insurance Corporation; and Office of Thrift Supervision, Treasury.

**ACTION:** Joint notice of proposed rulemaking; extension of comment period.

**SUMMARY:** On September 25, 2006, the Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System (Board), the Federal Deposit Insurance Corporation (FDIC), and the Office of Thrift Supervision (OTS) (collectively, the agencies) issued a joint notice of proposed rulemaking for public comment that proposed a new risk-based capital adequacy framework (Basel II NPR). The Basel II NPR would require some and permit other qualifying banks<sup>1</sup> to use an internal ratings-based approach to calculate regulatory credit risk capital requirements

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<sup>1</sup> As used in this notice, the term “bank” includes banks, savings associations, and bank holding companies.

and advanced measurement approaches to calculate regulatory operational risk capital requirements. The Basel II NPR describes the qualifying criteria for banks required or seeking to operate under the proposed framework and the applicable risk-based capital requirements for banks that operate under the framework. The Basel II NPR comment period will end on January 23, 2007.

In today's issue of the Federal Register, the agencies are proposing revisions to the existing risk-based capital framework that would apply to banks that do not use the Basel II NPR (Basel IA NPR). The agencies have determined that an extension of the Basel II NPR comment period is appropriate to allow interested parties additional time to compare the risk-based capital requirements as proposed in the Basel II NPR with the risk-based capital requirements as proposed in the Basel IA NPR.

**DATES:** The comment period for the proposed rule published at 71 FR 55830 (Sept. 25, 2006) is extended until **[insert date 90 days from date of publication in Federal Register]**.

**ADDRESSES:** You may submit comments by any of the methods identified in the Basel II NPR (See 71 FR 55830, September 25, 2006.)

**FOR FURTHER INFORMATION CONTACT:**

OCC: Roger Tufts, Senior Economic Advisor, Capital Policy (202-874-4925) or Ron Shimabukuro, Special Counsel, Legislative and Regulatory Activities Division (202-874-5090). Office of the Comptroller of the Currency, 250 E Street, SW, Washington, DC 20219.

Board: Barbara Bouchard, Deputy Associate Director (202-452-3072 or [barbara.bouchard@frb.gov](mailto:barbara.bouchard@frb.gov)) or Anna Lee Hewko, Senior Supervisory Financial Analyst

(202-530-6260 or [anna.hewko@frb.gov](mailto:anna.hewko@frb.gov)), Division of Banking Supervision and Regulation; or Mark E. Van Der Weide, Senior Counsel (202-452-2263 or [mark.vanderweide@frb.gov](mailto:mark.vanderweide@frb.gov)), Legal Division. For users of Telecommunications Device for the Deaf (“TDD”) only, contact 202-263-4869.

FDIC: Jason C. Cave, Associate Director, Capital Markets Branch, (202) 898-3548, Bobby R. Bean, Chief, Policy Section, Capital Markets Branch, (202) 898-3575, Kenton Fox, Senior Capital Markets Specialist, Capital Markets Branch, (202) 898-7119, Division of Supervision and Consumer Protection; or Michael B. Phillips, Counsel, (202) 898-3581, Supervision and Legislation Branch, Legal Division, Federal Deposit Insurance Corporation, 550 17<sup>th</sup> Street, NW, Washington, DC 20429.

OTS: Michael D. Solomon, Director, Capital Policy, Supervision Policy (202) 906-5654; David W. Riley, Senior Analyst, Capital Policy (202) 906-6669; or Karen Osterloh, Special Counsel, Regulations and Legislation Division (202) 906-6639, Office of Thrift Supervision, 1700 G Street, NW, Washington, DC 20552.

#### **SUPPLEMENTARY INFORMATION:**

On September 25, 2006, the agencies issued the Basel II NPR, which proposed a new risk-based capital adequacy framework that would require some and permit other qualifying banks to use an internal ratings-based approach to calculate regulatory credit risk capital requirements and advanced measurement approaches to calculate regulatory operational risk capital requirements. See 71 FR 55830. The proposed rule describes the qualifying criteria for banks required or seeking to operate under the proposed framework and the applicable risk-based capital requirements for banks that would operate under that framework.

In today's issue of the Federal Register, the agencies are proposing revisions to the existing risk-based capital framework applicable to banks that would not use the Basel II NPR. The Basel IA NPR proposes to expand the number of risk weight categories, allow the use of external credit ratings to risk weight certain exposures, expand the range of recognized collateral and eligible guarantors, use loan-to-value ratios to risk weight most residential mortgages, and revise other provisions of the existing risk-based capital requirements to increase the risk sensitivity of the risk-based capital rules for those banks that will not use the proposed risk-based capital requirements in the Basel II NPR.

The agencies believe that it is important for interested parties to be able to compare the risk-based capital requirements in the Basel II NPR and Basel IA NPR. Therefore, the agencies are extending the comment period for the Basel II NPR from January 23, 2007, to **Insert date 90 days from date of publication in the Federal Register**.

[THIS SIGNATURE PAGE RELATES TO THE FEDERAL REGISTER  
ISSUANCE OF AN EXTENSION OF THE COMMENT PERIOD FOR THE NOTICE  
OF PROPOSED RULEMAKING TITLED “RISK-BASED CAPITAL STANDARDS:  
ADVANCED CAPITAL ADEQUACY FRAMEWORK”]

Dated: \_\_\_\_\_

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John C. Dugan,  
Comptroller of the Currency

[THIS SIGNATURE PAGE RELATES TO THE FEDERAL REGISTER ISSUANCE  
OF AN EXTENSION OF THE COMMENT PERIOD FOR THE NOTICE OF  
PROPOSED RULEMAKING TITLED “RISK-BASED CAPITAL STANDARDS:  
ADVANCED CAPITAL ADEQUACY FRAMEWORK”]

By order of the Board of Governors of the Federal Reserve System, \_\_\_\_\_,  
2006.

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Jennifer J. Johnson  
Secretary of the Board

[THIS SIGNATURE PAGE RELATES TO THE FEDERAL REGISTER ISSUANCE OF AN EXTENSION OF THE COMMENT PERIOD FOR THE NOTICE OF PROPOSED RULEMAKING TITLED “RISK-BASED CAPITAL STANDARDS: ADVANCED CAPITAL ADEQUACY FRAMEWORK.”]

Dated at Washington, D.C., this \_\_\_\_\_ day of \_\_\_\_\_, 2006.

By order of the Board of Directors.

Federal Deposit Insurance Corporation.

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Robert E. Feldman,  
Executive Secretary

[THIS SIGNATURE PAGE RELATES TO THE FEDERAL REGISTER ISSUANCE OF AN EXTENSION OF COMMENT PERIOD FOR THE NOTICE OF PROPOSED RULEMAKING TITLED “RISK-BASED CAPITAL STANDARDS: ADVANCED CAPITAL ADEQUACY FRAMEWORK.”]

Dated: \_\_\_\_\_.

By the Office of Thrift Supervision.

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John Reich,  
Director



**DEPARTMENT OF THE TREASURY**

**Office of the Comptroller of the Currency**

**FEDERAL RESERVE SYSTEM**

**FEDERAL DEPOSIT INSURANCE CORPORATION**

**DEPARTMENT OF THE TREASURY**

**Office of Thrift Supervision**

**Proposed Agency Information Collection Activities; Comment Request**

**AGENCIES:** Office of the Comptroller of the Currency, Treasury; Board of Governors of the Federal Reserve System; Federal Deposit Insurance Corporation; and Office of Thrift Supervision, Treasury.

**ACTION:** Joint notice and request for comment; extension of comment period.

**SUMMARY:** In accordance with the requirements of the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), the OCC, the Board, the FDIC, and the OTS (collectively, the agencies) may not conduct or sponsor, and the respondent is not required to respond to, an information collection unless it displays a currently valid Office of Management and Budget (OMB) control number. The Federal Financial Institutions Examination Council (FFIEC), of which the agencies are members, approved the agencies' publication for public comment of proposed new regulatory reporting requirements for banks<sup>2</sup> that

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<sup>2</sup> For simplicity, and unless otherwise indicated, this notice uses the term "bank" to include banks, savings associations, and bank holding companies (BHCs). The terms "bank holding company" and "BHC" refer

qualify for and adopt the Advanced Capital Adequacy Framework to calculate their risk-based capital requirement or banks that are in the parallel run stage of qualifying to adopt this proposed framework. On September 25, 2006, the agencies published a joint notice and request for comment on the proposed reporting requirements (71 FR 55981).

Simultaneously with publication of the information collection notice, the agencies published a proposed rule seeking comment on the Advanced Capital Adequacy Framework (Basel II NPR) (71 FR 55830). The comment period on the information collection notice and the Basel II NPR ends on January 23, 2007. Elsewhere in today's issue of the Federal Register, the agencies extended the comment period for the Basel II NPR. The agencies have determined that an extension of the comment period on the information collection notice is appropriate for consistency. At the end of the comment period, the comments and recommendations received will be analyzed to determine the extent to which the FFIEC should modify the proposed reporting requirements prior to giving its final approval. The agencies will then submit the proposed reporting requirements to OMB for review and approval and, upon approval, OMB will assign control numbers.

**DATES:** The comment period for the joint notice and request for comment published at 71 FR 55981 (Sept. 25, 2006) is extended until **[insert date 90 days from date of publication in Federal Register]**.

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only to bank holding companies regulated by the Board and do not include savings and loan holding companies regulated by the OTS. For a detailed description of the institutions covered by this notice, refer to Part I, Section 1, of the proposed regulatory text in the notice of proposed rulemaking entitled Risk-Based Capital Standards: Advanced Capital Adequacy Framework.

**ADDRESSES:** You may submit comments by any of the methods identified in the joint notice on Proposed Agency Information Collection Activities. (See 71 FR 55981, September 25, 2006.)

**FOR FURTHER INFORMATION CONTACT:**

For further information about the proposed regulatory reporting requirements discussed in this notice, please contact any of the agency clearance officers whose names appear below. In addition, copies of reporting schedules and instructions can be obtained at each agency's web site as well as the FFIEC's web site.<sup>3</sup>

OCC: Please direct substantive questions to Lorey Hoffman, Large Bank Director, Large Bank Supervision, (202) 874-4595, and requests for copies of the collection to Mary Gottlieb, OCC Clearance Officer, or Camille Dickerson, (202-874-5090), Legislative and Regulatory Activities Division, Office of the Comptroller of the Currency, 250 E Street, SW., Washington, DC 20219.

Board: Michelle Long, Federal Reserve Board Clearance Officer, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, DC 20551 (202-452-3829).

FDIC: Steven F. Hanft, Clearance Officer, at [shanft@fdic.gov](mailto:shanft@fdic.gov), (202-898-3907), Legal Division, Federal Deposit Insurance Corporation, 550 17th Street, NW., Washington, DC 20429.

OTS: Marilyn K. Burton, OTS Clearance Officer, at [marilyn.burton@ots.treas.gov](mailto:marilyn.burton@ots.treas.gov), (202) 906-6467, or facsimile number (202) 906-6518,

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<sup>3</sup> For the OCC: <http://www.occ.treas.gov>; for the FDIC: <http://www.fdic.gov>; for the OTS: <http://www.ots.treas.gov>; for the Board: <http://www.federalreserve.gov/boarddocs/reportforms/review.cfm>; and for the FFIEC: [http://www.ffiec.gov/ffiec\\_report\\_forms.htm](http://www.ffiec.gov/ffiec_report_forms.htm).

Litigation Division, Chief Counsel's Office, Office of Thrift Supervision, 1700 G Street,  
NW., Washington, DC 20552.

**SUPPLEMENTARY INFORMATION:**

The regulatory reporting requirements under this proposed Notice are described in  
its Federal Register publication. (See 71 FR 55981, 55982 – 55986.)

[THIS SIGNATURE PAGE PERTAINS TO THE JOINT NOTICE AND REQUEST  
FOR COMMENT, “AGENCY INFORMATION COLLECTION ACTIVITIES;  
COMMENT REQUEST”]

Dated: \_\_\_\_\_

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**Stuart E. Feldstein,**  
*Assistant Director, Legislative and Regulatory Activities Division,  
Office of the Comptroller of the Currency.*

**[THIS SIGNATURE PAGE PERTAINS TO THE JOINT NOTICE AND  
REQUEST FOR COMMENT, “AGENCY INFORMATION COLLECTION  
ACTIVITIES; COMMENT REQUEST”]**

Board of Governors of the Federal Reserve System, \_\_\_\_\_,  
2006.

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Jennifer J. Johnson  
Secretary of the Board.

[THIS SIGNATURE PAGE PERTAINS TO THE JOINT NOTICE AND REQUEST FOR COMMENT, "AGENCY INFORMATION COLLECTION ACTIVITIES; COMMENT REQUEST"]

Dated at Washington, D.C., this \_\_\_\_\_ day of \_\_\_\_\_, 2006.

FEDERAL DEPOSIT INSURANCE CORPORATION

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Robert E. Feldman  
Executive Secretary

[THIS SIGNATURE PAGE PERTAINS TO THE JOINT NOTICE AND REQUEST FOR COMMENT, "AGENCY INFORMATION COLLECTION ACTIVITIES; COMMENT REQUEST"]

Dated: \_\_\_\_\_

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**Deborah Dakin,**  
*Senior Deputy Chief Counsel,  
Regulations and Legislation Division,  
Office of Thrift Supervision.*