

# RESCINDED

Office of Thrift Supervision  
Department of the Treasury

May 5, 2010

**Transmittal**  
**TR-451**

This rescission does not change the applicability of the conveyed document. To determine the applicability of the conveyed document, refer to the original issuer of the document.



Federal Register, Vol. 74, No. 198, pp. 52873-52875

**Number TR-451**

On October 15, 2009 the Board of Governors of the Federal Reserve System amended Regulation D to reflect the annual indexing of the reserve requirement exemption amount and the low reserve tranche for 2010.

annual basis by December 31 of any year covered by the agreement, any production shortfall will be carried forward and added to the successful bidder's production obligations for next year covered by the agreement.

(d) *Shortfalls remaining at the end of the production period.* If, for any reason, by December 31 of the last year of the production agreement, the bidder has failed to produce the total production volumes for all years covered by the agreement, any such remaining shortfall shall be awarded to the bidder with the next lowest bid in the auction round for which the award was made. If, however, the next best bidder is unable to enter into a production agreement with DOE within 30 days after being notified of its award, the shortfall shall be allocated instead to the next reverse auction.

(e) *Incentive award limitations.* The following limits shall apply to awards of cellulosic biofuels production incentives under this part:

(1) During the first four years after the commencement of the program, the incentive shall be limited to \$1.00 per gallon. For purposes of this limitation, the program shall be deemed to have commenced on the date that the first solicitation for a reverse auction is issued;

(2) A per gallon cap over the remaining lifetime of the program of \$.95 per gallon provided that—

(i) This cap shall be lowered by \$.05 each year commencing the first year after annual cellulosic biofuels production in the United States exceeds 1 billion gallons;

(ii) Not more than 25 percent of the funds committed within each reverse auction shall be awarded to any single project;

(iii) Not more than \$100 million in production incentives shall be awarded in any one calendar year; and

(iv) Not more than \$1 billion in production incentives shall be awarded over the lifetime of the program.

(f) *Participation in subsequent auctions.* A successful bidder in a reverse auction under this part may participate in subsequent reverse auctions if the incentives sought will assist the addition of plant production capacity for the eligible cellulosic biofuels production facility associated with its previously successful bid.

(g) *Transferability of awards.* A production incentive award under this part may be transferred to a successor entity at the same production facility for which the award was made, provided that the successor entity meets all eligibility requirements of this part, including execution of an agreement

with DOE to commence production of cellulosic biofuels in commercially significant quantities not later than three years of the date that bidding closes on the reverse auction in which the predecessor entity submitted a successful bid.

[FR Doc. E9-24778 Filed 10-14-09; 8:45 am]

BILLING CODE 6450-01-P

## FEDERAL RESERVE SYSTEM

### 12 CFR Part 204

[Regulation D; Docket No. R-1373]

#### Reserve Requirements of Depository Institutions

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Final rule.

**SUMMARY:** The Board is amending Regulation D, Reserve Requirements of Depository Institutions, to reflect the annual indexing of the reserve requirement exemption amount and the low reserve tranche for 2010. The Regulation D amendments set the amount of total reservable liabilities of each depository institution that is subject to a zero percent reserve requirement in 2010 at \$10.7 million, up from \$10.3 million in 2009. This amount is known as the reserve requirement exemption amount. The Regulation D amendments also set the amount of net transaction accounts at each depository institution that is subject to a three percent reserve requirement in 2010 at \$55.2 million, up from \$44.4 million in 2009. This amount is known as the low reserve tranche. The adjustments to both of these amounts are derived using statutory formulas specified in the Federal Reserve Act. The Board is also announcing changes in two other amounts, the nonexempt deposit cutoff level and the reduced reporting limit, that are used to determine the frequency at which depository institutions must submit deposit reports.

**DATES:** *Effective Date:* November 16, 2009.

*Compliance Dates:* For depository institutions that report deposit data weekly, the new low reserve tranche and reserve requirement exemption amount will apply to the fourteen-day reserve computation period that begins Tuesday, December 1, 2009, and the corresponding fourteen-day reserve maintenance period that begins Thursday, December 31, 2009. For depository institutions that report deposit data quarterly, the new low

reserve tranche and reserve requirement exemption amount will apply to the seven-day reserve computation period that begins Tuesday, December 15, 2009, and the corresponding seven-day reserve maintenance period that begins Thursday, January 14, 2010. For all depository institutions, these new values of the nonexempt deposit cutoff level, the reserve requirement exemption amount, and the reduced reporting limit will be used to determine the frequency at which a depository institution submits deposit reports effective in either June or September 2010.

**FOR FURTHER INFORMATION CONTACT:** Sophia Allison, Senior Counsel (202/452-3565), Legal Division, or Mary-Frances Styczynski, Financial Analyst (202/452-3303), Division of Monetary Affairs; for users of Telecommunications Device for the Deaf (TDD) only, contact (202/263-4869); Board of Governors of the Federal Reserve System, 20th and C Streets, NW., Washington, DC 20551.

**SUPPLEMENTARY INFORMATION:** Section 19(b)(2) of the Federal Reserve Act (12 U.S.C. 461(b)(2)) requires each depository institution to maintain reserves against its transaction accounts and nonpersonal time deposits, as prescribed by Board regulations, for the purpose of implementing monetary policy. Section 11(a)(2) of the Federal Reserve Act (12 U.S.C. 248(a)(2)) authorizes the Board to require reports of liabilities and assets from depository institutions to enable the Board to conduct monetary policy. The Board's actions with respect to each of these provisions are discussed in turn below.

#### 1. Reserve Requirements

Pursuant to section 19(b) of the Federal Reserve Act (Act), transaction account balances maintained at each depository institution are subject to reserve requirement ratios of zero, three, or ten percent. Section 19(b)(11)(A) of the Act (12 U.S.C. 461(b)(11)(A)) provides that a zero percent reserve requirement shall apply at each depository institution to total reservable liabilities that do not exceed a certain amount, known as the reserve requirement exemption amount. Section 19(b)(11)(B) provides that, before December 31 of each year, the Board shall issue a regulation adjusting the reserve requirement exemption amount for the next calendar year if total reservable liabilities held at all depository institutions increase from one year to the next. No adjustment is made to the reserve requirement exemption amount if total reservable

liabilities held at all depository institutions should decrease during the applicable time period. The Act requires the percentage increase in the reserve requirement exemption amount to be 80 percent of the increase in total reservable liabilities of all depository institutions over the one-year period that ends on the June 30 prior to the adjustment.

Total reservable liabilities of all depository institutions increased 5.0 percent (from \$4,770 billion to \$5,011 billion) between June 30, 2008, and June 30, 2009. Accordingly, the Board is amending Regulation D to increase the reserve requirement exemption amount by \$0.4 million, from \$10.3 million for 2009 to \$10.7 million for 2010.<sup>1</sup>

Pursuant to Section 19(b)(2) of the Act (12 U.S.C. 461(b)(2)), transaction account balances maintained at each depository institution over the reserve requirement exemption amount and up to a certain amount, known as the low reserve tranche, are subject to a three percent reserve requirement.

Transaction account balances over the low reserve tranche are subject to a ten percent reserve requirement. Section 19(b)(2) also provides that, before December 31 of each year, the Board shall issue a regulation adjusting the low reserve tranche for the next calendar year. The Act requires the adjustment in the low reserve tranche to be 80 percent of the percentage increase or decrease in total transaction accounts of all depository institutions over the one-year period that ends on the June 30 prior to the adjustment.

Net transaction accounts of all depository institutions increased 31.0 percent (from \$665 billion to \$868 billion) between June 30, 2008 and June 30, 2009. Accordingly, the Board is amending Regulation D to increase the low reserve tranche for net transaction accounts by \$10.8 million, from \$44.4 million for 2009 to \$55.2 million for 2010.

For depository institutions that file deposit reports weekly, the new low reserve tranche and reserve requirement exemption amount will be effective for the fourteen-day reserve computation period beginning Tuesday, December 1, 2009, and for the corresponding fourteen-day reserve maintenance period beginning Thursday, December 31, 2009. For depository institutions that report quarterly, the new low reserve tranche and reserve requirement exemption amount will be effective for

the seven-day reserve computation period beginning Tuesday, December 15, 2009, and for the corresponding seven-day reserve maintenance period beginning Thursday, January 14, 2010.

## 2. Deposit Reports

Section 11(b)(2) of the Federal Reserve Act authorizes the Board to require depository institutions to file reports of their liabilities and assets as the Board may determine to be necessary or desirable to enable it to discharge its responsibility to monitor and control the monetary and credit aggregates. The Board screens depository institutions each year and assigns them to one of four deposit reporting panels (weekly reporters, quarterly reporters, annual reporters, or nonreporters). The panel assignment for annual reporters is effective in June of the screening year; the panel assignment for weekly and quarterly reporters is effective in September of the screening year.

In order to ease reporting burden, the Board permits smaller depository institutions to submit deposit reports less frequently than larger depository institutions. The Board permits depository institutions with net transaction accounts above the reserve requirement exemption amount but total transaction accounts, savings deposits, and small time deposits below a specified level (the "nonexempt deposit cutoff") to report deposit data quarterly. Depository institutions with net transaction accounts above the reserve requirement exemption amount but with total transaction accounts, savings deposits, and small time deposits above the nonexempt deposit cutoff are required to report deposit data weekly. The Board requires certain large depository institutions to report weekly regardless of the level of their net transaction accounts if the depository institution's total transaction accounts, savings deposits, and small time deposits exceeds a specified level (the "reduced reporting limit"). The nonexempt deposit cutoff level and the reduced reporting limit are adjusted annually, by an amount equal to 80 percent of the increase, if any, in total transaction accounts, savings deposits, and small time deposits of all depository institutions over the one-year period that ends on the June 30 prior to the adjustment.

From June 30, 2008 to June 30, 2009, total transaction accounts, savings deposits, and small time deposits at all depository institutions increased 10 percent (from \$6,461 billion to \$7,126 billion). Accordingly, the Board is increasing the nonexempt deposit cutoff

level to \$243.1 million for 2010. The Board is also increasing the reduced reporting limit to \$1.362 billion for 2010.<sup>2</sup>

Beginning in 2010, the boundaries of the four deposit reporting panels will be defined as follows. Those depository institutions with net transaction accounts over \$10.7 million (the reserve requirement exemption amount) or with total transaction accounts, savings deposits, and small time deposits greater than or equal to \$1.362 billion (the reduced reporting limit) are subject to detailed reporting, and must file a Report of Transaction Accounts, Other Deposits and Vault Cash (FR 2900 report) either weekly or quarterly. Of this group, those with total transaction accounts, savings deposits, and small time deposits greater than or equal to \$243.1 million (the nonexempt deposit cutoff level) are required to file the FR 2900 report each week, while those with total transaction accounts, savings deposits, and small time deposits less than \$243.1 million are required to file the FR 2900 report each quarter. Those depository institutions with net transaction accounts less than or equal to \$10.7 million (the reserve requirement exemption amount) and with total transaction accounts, savings deposits, and small time deposits less than \$1.362 billion (the reduced reporting limit) are eligible for reduced reporting, and must either file a deposit report annually or not at all. Of this group, those with total deposits greater than \$10.7 million (but with total transaction accounts, savings deposits, and small time deposits less than \$1.362 billion) are required to file the Annual Report of Deposits and Reservable Liabilities (FR 2910a) report annually, while those with total deposits less than or equal to \$10.7 million are not required to file a deposit report. A depository institution that adjusts reported values on its FR 2910a report in order to qualify for reduced reporting will be shifted to an FR 2900 reporting panel.

*Notice and Regulatory Flexibility Act.* The provisions of 5 U.S.C. 553(b) relating to notice of proposed rulemaking have not been followed in connection with the adoption of these amendments. The amendments involve expected, ministerial adjustments prescribed by statute and by the Board's policy concerning reporting practices. The adjustments in the reserve requirement exemption amount, the low

<sup>1</sup> Consistent with Board practice, the low reserve tranche and reserve requirement exemption amounts have been rounded to the nearest \$0.1 million.

<sup>2</sup> Consistent with Board practice, the nonexempt deposit cutoff level has been rounded to the nearest \$0.1 million, and the reduced reporting limit has been rounded to the nearest \$1 million.

reserve tranche, the nonexempt deposit cutoff level, and the reduced reporting limit serve to reduce regulatory burdens on depository institutions. Accordingly, the Board finds good cause for determining, and so determines, that notice in accordance with 5 U.S.C. 553(b) is unnecessary. Consequently, the provisions of the Regulatory Flexibility Act, 5 U.S.C. 601, do not apply to these amendments.

**List of Subjects in 12 CFR Part 204**

Banks, banking, Reporting and recordkeeping requirements.

■ For the reasons set forth in the preamble, the Board is amending 12 CFR part 204 as follows:

**PART 204—RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS (REGULATION D)**

■ 1. The authority citation for part 204 continues to read as follows:

**Authority:** 12 U.S.C. 248(a), 248(c), 371a, 461, 601, 611, and 3105.

■ 2. Section 204.4(f) is revised to read as follows:

**§ 204.4 Computation of required reserves.**

\* \* \* \* \*

(f) For all depository institutions, Edge and Agreement corporations, and United States branches and agencies of foreign banks, required reserves are computed by applying the reserve requirement ratios below to net transaction accounts, nonpersonal time deposits, and Eurocurrency liabilities of the institution during the computation period.

Reservable liability	Reserve requirement ratio
<b>NET TRANSACTION ACCOUNTS:</b>	
\$0 to reserve requirement exemption amount (\$10.7 million) .....	0 percent of amount.
Over reserve requirement exemption amount (\$10.7 million) and up to low reserve tranche (\$55.2 million).	3 percent of amount.
Over low reserve tranche (\$55.2 million) .....	\$1,335,000 plus 10 percent of amount over \$55.2 million.
Nonpersonal time deposits .....	0 percent.
Eurocurrency liabilities .....	0 percent.

By order of the Board of Governors of the Federal Reserve System, October 9, 2009.  
**Jennifer J. Johnson,**  
*Secretary of the Board.*  
 [FR Doc. E9-24767 Filed 10-14-09; 8:45 am]  
**BILLING CODE 6210-01-P**

**FEDERAL RESERVE SYSTEM**

**12 CFR Part 229**

[Regulation CC; Docket No. R-1372]

**Availability of Funds and Collection of Checks**

**AGENCY:** Board of Governors of the Federal Reserve System.  
**ACTION:** Final rule; technical amendment.

**SUMMARY:** The Board of Governors (Board) is amending the routing number guide to next-day availability checks and local checks in Regulation CC to delete the reference to the head office of the Federal Reserve Bank of Dallas and to reassign the Federal Reserve routing symbols currently listed under that office to the head office of the Federal Reserve Bank of Cleveland. The Board is also amending the routing number guide to delete the reference to the Los Angeles branch office of the Federal Reserve Bank of San Francisco and to reassign the routing symbols currently listed under that office to the head office of the Federal Reserve Bank of Cleveland. These amendments reflect the restructuring of check-processing operations within the Federal Reserve System. The Board is also providing

advance notice about anticipated future amendments in connection with the Reserve Banks' restructuring such that by early next year there will only be a single check-processing region for purposes of Regulation CC. Accordingly, at that time there will no longer be any checks that would be considered nonlocal.

**DATES:** The amendments to appendix A to part 229 in amendatory instruction 2 are effective October 17, 2009.

The amendments to appendix A to part 229 in amendatory instruction 3 are effective November 14, 2009.

**FOR FURTHER INFORMATION CONTACT:** Jeffrey S. H. Yeganeh, Financial Services Manager (202/728-5801), or Joseph P. Baressi, Financial Services Project Leader (202/452-3959), Division of Reserve Bank Operations and Payment Systems; or Dena L. Milligan, Attorney (202/452-3900), Legal Division. For users of Telecommunications Devices for the Deaf (TDD) only, contact 202/263-4869.

**SUPPLEMENTARY INFORMATION:**

**Background**

Regulation CC establishes the maximum period a depository bank may wait between receiving a deposit and making the deposited funds available for withdrawal.<sup>1</sup> A depository bank generally must provide faster availability for funds deposited by a "local check" than by a "nonlocal

check." A check is considered local if it is payable by or at or through a bank located in the same Federal Reserve check-processing region as the depository bank.

Appendix A to Regulation CC contains a routing number guide that assists banks in identifying local and nonlocal banks and thereby determining the maximum permissible hold periods for most deposited checks. The appendix includes a list of each Federal Reserve check-processing office and the first four digits of the routing number, known as the Federal Reserve routing symbol, of each bank that is served by that office for check-processing purposes. Banks whose Federal Reserve routing symbols are grouped under the same office are in the same check-processing region and thus are local to one another.

**Final Amendments to Appendix A**

On October 17, 2009, the Reserve Banks will transfer the check-processing operations of the head office of the Federal Reserve Bank of Dallas to the head office of the Federal Reserve Bank of Cleveland. On November 14, 2009, the Reserve Banks will transfer the check-processing operations of the Los Angeles branch office of the Federal Reserve Bank of San Francisco to the head office of the Federal Reserve Bank of Cleveland. As a result of these changes, some checks that are drawn on and deposited at banks located in the Dallas, Los Angeles, and Cleveland check-processing regions and that currently are nonlocal checks will

<sup>1</sup> For purposes of Regulation CC, the term "bank" refers to any depository institution, including commercial banks, savings institutions, and credit unions.