

(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.