

**FEDERAL RESERVE BANK  
OF NEW YORK**

[ Circular No. **10733** ]  
[ September 20, 1994 ]

**PROPOSAL TO CHANGE THE METHOD FOR  
IMPUTING INCOME ON CLEARING BALANCES  
FOR PRICED SERVICES**

*Extension of Comment Period to October 21, 1994*

*To All Depository Institutions in the Second Federal  
Reserve District, and Others Concerned:*

The following statement has been issued by the Board of Governors of the Federal Reserve System:

The Federal Reserve Board has extended for 30 days the comment period on a proposal to modify the methodology for imputing clearing balance income to more closely parallel the practices of a private sector provider.

Comment is now requested by October 21, 1994.

Specifically, the Board is requesting comment on changing the rate used to impute clearing balance income from the 90-day Treasury bill coupon equivalent yield to a longer term Treasury rate based on the earning asset maturity structure of the largest bank holding companies (BHCs).

The intended effect of the proposal is to promote competitive equity with private sector practices by matching the maturity structure for investment of clearing balances to the structure revealed in bank holding company data on investments.

Printed on the reverse side is the text of the Board's notice extending the comment period. The proposal, which was published in the *Federal Register* of August 19, was sent to you with our Circular No. 10730, dated August 24, 1994. Comments may now be submitted through October 21, and should be sent to the Board of Governors, as specified in the notice, or to our Management Information Department.

WILLIAM J. MCDONOUGH,  
*President.*

(Over)

**FEDERAL RESERVE SYSTEM**  
**[Docket R-0846]**  
**Federal Reserve Bank Services: Imputed Income**  
**on Clearing Balances**

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

**ACTION:** Request for comment; extension of comment period.

**SUMMARY:** On August 16, 1994, the Board requested comment on a proposal to modify the methodology for imputing clearing balance income to more closely parallel the practices of a private sector service provider. The Secretary of the Board, acting under delegated authority, has extended the comment period by 30 days to give the public additional time to provide comments.

**DATES:** Comments must be received by October 21, 1994.

**ADDRESSES:** Comments should refer to Docket No. R-0846, and may be mailed to William W. Wiles, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, N.W., Washington, D.C. 20551. Comments also may be delivered to Room B-2222 of the Eccles Building between 8:45 a.m. and 5:15 p.m. weekdays, or to the guard station in the Eccles Building courtyard on 20th Street, N.W. (between Constitution Avenue and C Street) at any time. Comments may be inspected in Room MP-500 of the Martin Building between 9:00 a.m. and 5:00 p.m. weekdays, except as provided in 12 CFR 261.8 of the Board's rules regarding availability of information.

**FOR FURTHER INFORMATION CONTACT:** Greg Evans, Manager (202/452-3945), or Gwen Mitchell, Senior Accounting Analyst (202/452-3841), Division of Reserve Bank Operations and Payment Systems, Board of Governors of the Federal Reserve System. For the hearing impaired only: Telecommunications Device for the Deaf, Dorothea Thompson (202/452-3544).

**SUPPLEMENTARY INFORMATION:** On August 16, 1994, the Board requested comment on a proposal to modify the methodology for imputing clearing balance income to more closely parallel the practices of a private sector service provider (see 59 FR 42832, August 19, 1994). Specifically, the Board requested comment on a proposal to change the rate used to impute clearing balance income from the 90-day Treasury bill coupon equivalent yield to a longer term Treasury rate based on the earning asset maturity structure of the largest bank holding companies (BHCs). The intended effect of the proposal is to promote competitive equity with private sector practices by matching the maturity structure for investment of clearing balances to the structure revealed in BHC data on investments.

The Board has received requests to extend the comment period. In order to accommodate the public's need for additional time, the comment period is extended until October 21, 1994.

By order of the Secretary of the Board, acting pursuant to delegated authority for the Board of Governors of the Federal Reserve System, September 12, 1994.

William W. Wiles,  
Secretary of the Board.  
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