

SUPPORTING STATEMENT

Justification for:

31 CFR PART 321, " Payments by Banks and Other Financial Institutions of United States Savings Bonds and United States Savings Notes (Freedom Shares)."

1. **Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection.** Under savings bond regulations qualified financial institutions are authorized to transmit and receive settlement for paid savings bonds through the Federal Reserve check collection system (EZ CLEAR) and to pay such securities upon the request of a surviving beneficiary.
2. **Indicate how, by whom, and for what purpose the information is to be used.** Used to identify the securities involved and to determine that payment was made to the person(s) entitled, and to determine the amount paid and the paying agent. Without the information, the transaction cannot be completed.
3. **Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology. What consideration is given to use information technology to reduce burden?**
The EZ CLEAR system allows financial institutions to submit paid savings bonds and savings notes through the Federal Reserve's check collection system. The system streamlines the agents' internal accounting systems and substantially reduces the burden of information.
4. **Describe efforts to identify duplication. Why can't any similar information already available be used or modified for use for the purposes described in item 2 above?** Duplicate information is not requested.
5. **If the collection of information impacts small business or other small entities describe any methods**

used to minimize burden? This collection of information does not impact small business or other small entities.

6. **What consequences to Federal program or policy activities and what, if any, technical or legal obstacles to reducing burden will occur if this collection is not conducted or is conducted less frequently?** N/A
7. **Is this collection of information conducted in a manner consistent with the guidelines of 5 CFR 1320.6?** The collection of information cannot be conducted less frequently because the collection is initiated for a single purpose.
8. **What effort was made to notify the general public about this collection of information?** The Bureau's notice was published in the Federal Register on August 14, 2006, Page 46537. No comments were received.
9. **What decision was made to provide any payment or gift to respondents, other than reenumeration of contractors or grantees?** N/A
10. **What assurance of confidentiality was provided to respondents and what was the basis for the assurance in statute, regulations, or agency policy?** In accordance with the Privacy Act of 1974, information furnished by the public is assured confidentiality.
11. **What justification is there for questions of a sensitive nature?** There are no questions of a sensitive nature.
12. **What is the estimated hour burden of this collection of information?**
Burden estimates were derived from the total savings bond redemption data for FY 2005 with an understanding that the Bureau regulates a recordkeeping retention period of 1 year.

Burden	Measures	Notes
Annual Responses	47,516,700	Annual Redemptions
Respondents	36,300	Savings Bond Paying Agents
Responses per	1,309	Redemptions / Agents

Respondent		
Time per Response	4 Seconds	Time to Create Reporting Document
Responses per Hour	900	60 Seconds / 4 Seconds * 60 Minutes
Reporting Hours	52,778	Annual Responses / Responses per Hour
Recordkeepers	36,300	Savings Bond Paying Agents
Hours per Recordkeeper	.095	Time to Image Redeemed Bonds
Recordkeeping Hours	3,449	Recordkeepers * Hours per Recordkeeper
Annual Burden Hours	56,227	Reporting Hours + Recordkeeping Hours

13. **What is the estimated total annual cost burden to respondents or recordkeepers resulting from this collection of information?** Estimated cost burden to respondents is not available.

14. **What is the annualized cost to the Federal Government?**

Burden estimates were derived from the total Bureau data for FY 2005 attributable to the redemptions of savings bonds; they reflect an annual workload of 47.5 million bonds redeemed.

<u>Cost Category</u>	<u>Amount</u>
Bureau Operations	\$12,895,000
FRB Reimbursements	10,499,000
Paying Agent Fees	11,782,000
TOTAL	\$35,176,000

15. **What is the reason for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I?** Figures were adjusted to reflect the current totals.

16. **For collections of information whose results will be published, outline plans for tabulation and publication.** The results of the collection of this information will not be published for statistical use.

17. If seeking approval to not display the expiration date for OMB approval of this information collection, what are the reasons that the display would be inappropriate? N/A
18. What are the exceptions to the certification statement? N/A