

SUPPORTING STATEMENT
Application for Conversion From: (a) OTS-Regulated, State-Chartered Savings Association to Federal Savings Association; (b) National Bank, Commercial Bank, State Savings Bank, or Credit Union to Federal Savings Association
OMB Control No. 1550-0007

A. JUSTIFICATION

1. Circumstances and Need

Section 5 of the Home Owners' Loan Act authorizes the Office of Thrift Supervision (OTS) to act on applications submitted by depository institutions requesting permission to convert to a Federal savings association charter. 12 C.F.R. §§ 543.8, 543.9 and 552.2-6 codify the eligibility requirements and establish processing procedures for applications involving the conversion of a depository institution to a Federally chartered association of the same organizational type (i.e., mutual or stock form of ownership).

The application form for conversion requires the applicant to submit: (1) its plan of conversion; (2) a copy of its current charter and bylaws; (3) a copy of the proposed charter and bylaws; and, (4) certification of counsel that the charter conforms to OTS's requirements. Converting depository institutions must also submit: (1) a list of all activities and investments currently allowed for the institution under state law or by its current primary regulator but not permitted for Federal associations, with an indication of whether the applicant wishes OTS approval to continue to engage in such activities or investments as a Federal association, pursuant to OTS's grandfathering authority; (2) the appropriate statutory cite under state law that authorized such activities or investments; and, (3) copies of applicable state law provisions.

Third Party Requirements

OTS regulations require depository institutions to publish a public notice of the application for conversion in accordance with the procedures specified in 12 C.F.R. 516.

2. Use of Information Collected

The application is reviewed at the Regional Office to determine whether it meets applicable eligibility requirements for conversion and complies with applicable OTS policies. Applications are also reviewed to determine whether special conditions are needed to establish the institution's authority to continue activities or investments permitted under state law but not authorized for a Federal association.

3. Use of Technology to Reduce Burden

This information collection is not amenable to reduction through improved technology. Since automated information systems may be used in a very limited capacity to obtain or process the information required by the proposed information collection, and because these systems vary from institution to institution, the use of improved technology to reduce the burden is not applicable.

4. Efforts to Identify Duplication

This information collection is not duplicative within the meaning of the PRA and OMB regulations. Information that is similar to or that corresponds to information that could serve OTS's purpose and need in this information collection is not being collected by any other means or for any other purpose; nor is this information otherwise available in the detail necessary to satisfy the purpose and need for which this collection of information is undertaken. Each transaction is unique, thus the association submits documentation peculiar to each such transaction.

5. Minimizing the Burden on Small Firms

The information collection does not differentiate information requirements on the basis of an institution's size.

6. Consequences of Less Frequent Collection

OTS would not be able to properly evaluate whether the requested conversion meets applicable statutory and regulatory requirements if the information required by the application were not collected.

7. Special Circumstances

This information collection is conducted in a manner consistent with the guidelines set out in 5 C.F.R. § 1320. There are no specific recordkeeping requirements imposed by this information collection.

8. Consultation with Persons Outside the OTS

Notice of intent to renew this information collection was published in the *Federal Register* on October 20, 2006 (71 FR 62048). One comment was received from a trade association stating that, although OTS stated in its October 20th notice that it was making technical, non-substantive changes to Form 1582, it should have more thoroughly described what those changes are in order to obtain useful comments from

the public. The commenter also suggested that OTS request applicants to submit additional information with the form. Having taken these comments into consideration, OTS has made a red-lined version of the form available on the OTS website. However, OTS does not agree with the commenter that additional information must be submitted with the form for OTS to render a decision on applications for conversion.

9. Payment of Respondents

OTS provides no payment or gift to respondents.

10. Confidentiality

12 C.F.R. Part 505 provides that certain application information will not be available to the public. Information exempt from public disclosure under this regulation includes: (1) information exempt from public disclosure by statute or executive order; (2) information contained or related to examination, operating, or condition reports prepared by OTS; and, (3) privileged information or information related to the business, personal, or financial affairs of any person and furnished in confidence.

11. Information of a Sensitive Nature

No questions of a sensitive nature are included in this collection of information.

12. Estimate of Annual Hour Burden

The total annual hour burden to the respondents is estimated at four (4) per submission with 18 submissions, totaling 72 hours.

| | |
|-------------|-----------------------------------|
| 4 | Hours per respondent |
| <u>x 18</u> | Submissions |
| 72 | Total annual hour burden estimate |
| <u>- 68</u> | Current OMB Inventory |
| 4 | Increase |

13. Estimate of Annual Cost

The annual cost estimate for filing applications:

- a) Conversion of OTS-regulated, state-chartered savings associations to Federal savings associations:

| | | | | |
|-------------------|---|-------------------|--|--------------|
| <u>Filing Fee</u> | | <u>Respondent</u> | | <u>Total</u> |
| \$ 100 | x | 8 | | \$ 800 |

- b) Conversion of national banks, commercial banks, state savings banks, or credit unions to Federal savings associations:

$$\begin{array}{r} \$5,000 \quad \times \quad 10 \quad \quad \quad \$ \underline{50,000} \\ \text{Total} = \quad \quad \quad \quad \quad \quad \quad \$ 50,800 \end{array}$$

In addition:

$$\begin{array}{r} \text{Total Annual Hour Estimate - 72} \\ \text{Per Hour} \quad \quad \quad \times \underline{50} \quad \quad \quad \$ \underline{3,600} \\ \text{Total Annual Hour Cost Estimate} \quad \quad \quad \$ 54,400 \end{array}$$

14. Estimates of Annualized Cost to Government

It is estimated that the total annualized cost to the government will be minimal because: (1) this information is already being collected and evaluated; (2) there will not be any type of developmental or computer costs; and (3) no new employees will be hired to evaluate the information.

15. Reason for Change in Burden

The increase in burden reflects a projected increase in applications received by OTS from 17 to 18 respondents.

16. Publication

Not applicable.

17. Expiration Date

OTS is displaying the expiration date on the form.

18. Exceptions

There are no exceptions to the certification on OMB Form 83-I.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.