

**Supporting Statement for
OMB Control Number 1557-0081
(MA)-Reports of Condition and Income (Interagency Call Report)**

A. Justification

1. Circumstances that make the collection necessary:

Reports of Condition are required under 12 U.S.C. 161. The OCC needs this information to ensure individual bank and banking system safety and soundness.

This submission covers the revisions to the Call Report to be implemented on March 31, 2007, with the exception of certain deposit insurance revisions, which will be fully implemented on March 31, 2008. These revisions have been approved by the FFIEC.

The revisions include:

- Replacing certain information currently collected for deposit insurance assessment purposes with the information described in FDIC proposed amendments to 12 CFR part 327. Banks would have the option in 2007 to report deposit insurance assessment data using the currently reported 28 items or using the new simplified approach and reduced number of only 6 reported items. The new simplified approach will be required starting with the March 31, 2008 Call Report.
- Revising the information reported for total time deposits of less than \$100,000 and total time deposits of \$100,000 or more and one new item for reporting IRA and Keogh Plan accounts. These changes were made to ensure accurate construction of the Federal Reserve's monetary aggregates for monetary policy purposes.
- Adding the following items which are expected to apply to a limited number of banks: :
 - Collect certain data from banks that adopt FASB's new accounting standards for fair value measurements and the use of the fair value option for financial assets and financial liabilities.
 - Collect certain data on 1-4 family residential mortgages with terms allowing for negative amortization;
 - Clarify that assets serviced for others includes the servicing of loan participations for reporting.

2. Use of the information:

Data from Call Reports are shared among the agencies and placed in each agency's computerized databases for supervisory and industry monitoring purposes. The OCC Call

Report data are used by the FDIC in preparing the comprehensive interagency Uniform Bank Performance Reports (UBPRs). UBPRs are produced quarterly for each insured commercial bank.

The Federal financial regulatory agencies use the information to determine the safety and soundness of individual financial institutions and to identify trends in the banking system. The data are input into a computer base and analyzed both by the computer and by examiners. The data are used for peer analysis of banks, to determine strengths and weaknesses in a particular institution as compared to similar institutions. The data also are used in scheduling bank examinations and in determining areas of focus for the examiners during their on-site visit.

The Call Report is the major source of financial information on individual banks and the industry and assists the OCC in discharging its responsibility to maintain a safe and sound banking system. In addition, Call Reports provide the most current statistical data available for evaluating statutory factors relating to the OCC's consideration of bank applications for such actions as mergers and establishing branches, for numerous economic studies and analyses submitted to Congress, and are made available to the public.

Call Report data are also used by bank management to evaluate their institutions, by bank analysts and investors, and by the public in determining the desirability of investing or making deposits in a particular bank.

3. Consideration of the use of improved information technology:

All banks are required to submit their Call Reports electronically through the banking agencies "Central Data Repository", using the Internet. Currently, a bank must file its Call Report in one of two ways:

- A bank may use computer software to prepare and edit its report data and then electronically submit the data directly to the CDR (<http://cdr.ffiec.gov/cdr/>)
- A bank may complete its report in paper form and arrange with a software vendor or another party to convert its paper report into the electronic format that can be processed by the CDR. The software vendor or other party then must electronically submit the bank's Call Report data file to the CDR.

Regardless of the method a bank uses to file its Call Report, the bank remains responsible for the accuracy of its Call Report data. The information collections in this addendum would facilitate more accurate bank Call Report data submission.

Since June 1998, quarterly Call Report submissions have been made available to the public on the Internet. Call Report formats and instructions have been made available to the banks and others on the Internet.

The banking agencies implemented a new Central Data Repository for the collection and processing of bank Call Reports effective with the September 30, 2005 Call period. One of the

principle features of the new business model is the use of Extensible Business Reporting Language (XBRL). XBRL is a new XML-based specification that uses accepted financial reporting standards and practices to exchange financial statements across all software and technologies, including the Internet.

4. Efforts to identify duplication:

This information is unique because no other report or a series of reports provides all the Call Report data from all the national banks in a consistent and timely manner.

5. Methods used to minimize burden if the collection has a significant impact on substantial number of small entities:

Only the minimum information needed to evaluate the condition of a bank, regardless of size, is required.

6. Consequences to the Federal program if the collection were conducted less frequently:

Under 12 U.S.C. 161, quarterly reporting is required in some instances. Further, the Federal financial regulatory agencies must have condition and income data at least quarterly to properly monitor individual bank and industry trends. Less frequent collection of this information would impair the agencies' monitoring and seriously delay regulatory response.

7. Special circumstances necessitating collection inconsistent with 5 CFR Part 1320:

This collection is conducted in accordance with the guidelines in 5 CFR Part 1320.

8. Efforts to consult with persons outside the agency:

On October 31, 2006 the OCC, FDIC, FRB, and the OTS published a joint notice soliciting comments for 60 days on proposed revisions to the Call Report (71 FR 63848). The agencies collectively received comments from five respondents: one banking organization, one national banking trade association, a trade association of community organizations, a financial institution data processing servicer, and a government agency. All of these respondents except the government agency addressed the proposed reporting of information on 1-4 family residential mortgages with negative amortization features. The trade association of community organizations supported the collection of the total amount of these mortgages in the Call Report while the banking organization and the banking trade association addressed the proposal to collect certain additional data on these mortgages from banks with a significant volume of negatively amortizing residential mortgages. The data processing servicer commented on the proposed March 31, 2007, effective date for reporting this information.

With respect to the other proposed revisions to the Call Report and the TFR, the banking organization stated that it “generally supports the Agencies’ proposed changes” and the banking trade association expressed support for “the majority of changes proposed by the agencies.”

This latter commenter observed that the proposed changes to the data reported for deposit insurance assessment purposes should be conformed to the FDIC's final rule on the operational procedures governing deposit insurance assessments that was published after the proposed changes to the Call Report and TFR were published for comment on October 31, 2006. This commenter also urged the agencies to proceed cautiously with the proposed reporting schedule that would capture data on banks' use of the fair value option under a yet-to-be issued final accounting standard.

9. Payment to respondents:

None.

10. Any assurance of confidentiality:

The data collected from individual banks in the Call Report are publicly available with the exception of select sensitive information. The agencies currently give confidential treatment to data collected in Schedule RC-T, "Fiduciary and Related Services," on fiduciary and related services income (items 12 through 23) and fiduciary settlements, surcharges, and losses (Memorandum item 4). Contact information on bank personnel that is provided in each bank's Call Report submission is also provided confidential treatment. All non-confidential Call Report data on individual banks is available on request from the Federal Financial Institutions Examinations Council (FFIEC) and on the FFIEC Internet Web-site.

11. Justification for questions of a sensitive nature:

None.

12. Burden estimate:

The OCC estimates that 1,900 national banks will file Call Reports each quarter and that the burden will average 177 burden hours per year. An individual bank's actual burden may be higher or lower, depending on the complexity of the bank's structure and the degree of accounting system automation.

The OCC estimates total burden as follows:

1,900 respondents @ 4 responses = 7,600 annual responses
7,600 responses @ 44.33 hours = 336,925 burden hours

13. Estimate of annualized costs to respondents:

Not applicable.

14. Estimate of annualized costs to the government:

Not applicable.

15. Changes in burden:

Former burden: 1,900 respondents @ 4 responses = 7,600 annual responses
7,600 responses @ 43.75 hours = 332,500 burden hours

New burden: 1,900 respondents @ 4 responses = 7,600 annual responses
7,600 responses @ 44.33 hours = 336,925 burden hours

Change: + .58 hours per response; + 4,425 burden hours

16. Information regarding collections whose results are planned to be published for statistical use:

Not applicable.

17. Approval to not display OMB expiration date.

Not applicable.

18. Exceptions to certification statement.

None.

B. Collections of Information Employing Statistical Methods.

Not applicable.