

Supporting Statement
3064-0139
CRA Sunshine
Renewal Without Change

Background

Insured depository institutions or their affiliates occasionally enter into agreements with nongovernmental entities or persons pursuant to or in connection with the fulfillment of their responsibilities under the Community Reinvestment Act (CRA). The Gramm-Leach Bliley Act (Pub.L. 106-102, sec. 711) requires the disclosure of certain of these agreements, and imposes reporting and recordkeeping requirements related to those disclosures. The statute also mandates that the FDIC, the Office of the Comptroller of the Currency, the Federal Reserve Board, and the Office of Thrift Supervision (agencies) develop regulations to implement these disclosure, reporting and recordkeeping requirements, and the agencies have promulgated regulations accordingly. The reporting and recordkeeping provisions of these regulations constitute collections of information under the Paperwork Reduction Act. The regulation promulgated by the FDIC is codified at 12 CFR 346 (attached); the collection of information contained in that regulation is known as "CRA Sunshine."

The FDIC is requesting approval from OMB to renew this approved collection of information for three years, pursuant to the Paperwork Reduction Act. This supporting statement is intended to provide OMB with sufficient information to make an informed decision on the request. The collection expires on May 31, 2007.

1. Circumstances that make the collection necessary.

Section 711 of the Gramm-Leach-Bliley Act (GLB Act) added a new section 48 to the FDI Act entitled "CRA Sunshine Requirements." Section 711 applies to written agreements that (1) are made in fulfillment of the CRA, (2) involve funds or other resources of an insured depository institution or affiliate with an aggregate value of more than \$10,000 in a year, or loans with an aggregate principal value of more than \$50,000 in a year, and (3) are entered into by an insured depository institution or affiliate of an insured depository institution and a nongovernmental entity or person. Under section 711, the parties to a covered agreement must make the agreement available to the public and the appropriate agency. The parties also must file a report annually with the appropriate agency concerning the disbursement, receipt and use of funds or other resources under the agreement. The collections of information in CRA Sunshine implement these statutorily mandated reporting and recordkeeping requirements, and reflect statutory requirements as precisely as possible.

2. Use of Information.

Public disclosure of covered agreements enables the public to know which insured depository institutions, affiliates, and nongovernmental entities and persons enter into such agreements, as well as the terms of the agreements. The information assists interested members of the public in assessing whether the parties are fulfilling their agreements, and helps the agencies understand how the institutions they regulate are fulfilling their CRA responsibilities.

3. Consideration of the use of improved information technology.

Each institution is free to use any technology that is reasonable and appropriate for its circumstances.

4. Efforts to identify duplication.

CRA Sunshine information does not duplicate information collected elsewhere.

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

The agencies do not have reason to believe the collection has a significant impact on a substantial number of small entities. In any case, the GLB Act does not permit the agencies to make exceptions or provide alternatives for small entities.

6. Consequences to the Federal Program if the collections were conducted less frequently.

Less frequent collection would be in violation of a Federal statute.

7. Special Circumstances necessitating collection inconsistent with 5 CFR 1320.

There are no special circumstances necessitating collection inconsistent with 5 CFR 1320.

8. Efforts to consult with persons outside the agency.

FDIC staff consulted closely with their counterparts at the other agencies in developing this collection of information. The preamble to the joint NPRM explicitly sought public comment on every aspect of this collection, including the burden estimates. All comments were carefully considered during the development of the final rule.

9. Payment to Respondents

There are no payments to Respondents.

10. Confidentiality.

The statute provides that an agreement “shall be in its entirety fully disclosed.” It also provides that in carrying out their responsibilities to prescribe regulations, “each appropriate Federal banking agency shall...ensure...that proprietary and confidential information is protected.” The final rule contains provisions for the parties to delete proprietary and confidential information from agreements before disclosing them to the public.

11. Justification for questions of a sensitive nature.

There are no questions of a sensitive nature.

12. Burden estimate.

Potential respondents are insured state nonmember banks and their affiliates, and nongovernmental entities and persons (persons). The FDIC estimates that a total of 26 state nonmember banks and affiliates will enter into covered agreements, and that a corresponding number of persons (26) will be parties to such agreements. What follows is a section-by-section analysis of the burden based on those assumptions. Code numbers reference the applicable sections and subsections of 12 CFR 346.

	Number of <u>respondent</u> <u>s</u>	annual <u>frequenc</u> <u>y</u>	response <u>time (hours)</u>	annual burde n <u>hours</u>
<u>Disclosure burden for insured depository institutions and affiliates</u>				
.6(b): covered agreements to public	26	1.4	1.0	36.4
.6(d): copy of agreement to agency	26	1.4	1.0	36.4
.6(d)(ii): list of agreements to agency	26	1.4	1.0	36.4
.6(d): agreements relating to activities of CRA affiliates	26	1.4	1.0	36.4
<u>Reporting burden for insured depository institutions and affiliates</u>				
.7(b): annual report	26	1.0	4.0	104.0
.7(f)(2)(iii): filing NGEF annual report	36	1.0	1.0	36.0
<u>Disclosure burden for non-government entity or person</u>				
.6(b): covered agreements to public	36	1.0	1.0	36.0
.6(c): copy of agreement to agency	36	1.0	1.0	36.0
<u>Reporting burden for NGEF</u>				
.7(b): <u>annual report</u>	36	1.0	4.0	<u>144.0</u>
Total				501.6

13. Estimate of total annual costs to respondents, excluding the cost of any hour burden shown in in Items 12 and 14, and excluding purchases of equipment and services made prior to October 1, 1995, or as part of usual and customary business practice.

None.

14. Estimate of annualized cost to the Federal Government.

There is no additional cost to the Federal Government as a result of this collection..

15. Changes in burden.

There is no change in burden.

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

The results are not planned to be published for statistical use.

17. Display of Expiration Date.

No exceptions are requested.

18. Exceptions to the certification statement.

There are no exceptions to the certification statement.

19. Collections of Information Employing Statistical Methods.

This collection does not employ statistical methods.

Attachments

1. Statutory mandate (Pub.L. 106-102, sec. 711)
2. Final rule (12 CFR 346)
3. "First" Federal Register notice (68 FR 54785)
4. "Second" FR (68 FR 75728)