

## SUPPORTING STATEMENT

### APPLICATION FOR A BANK TO ESTABLISH A BRANCH OR MOVE ITS MAIN OFFICE OR BRANCH (OMB NO. 3064-0070)

#### INTRODUCTION

The FDIC is requesting OMB approval for a three year extension without revision of to the information collection relating to insured State nonmember banks application to obtain FDIC consent to establish branches or move main offices or branches. The current clearance expires on May 31, 2007.

#### A. JUSTIFICATION

##### 1. Circumstances and Need

Section 18(d) of the Federal Deposit Insurance Act (12 USC 1828(d) (FDI Act) provides that no State nonmember insured bank shall establish and operate any new domestic branch or move its main office or any such branch from one location to another without the prior written consent of the FDIC. Section 18(d) requires the FDIC to consider the factors enumerated in section 6 of the FDI Act (12 USC 1816) in granting or withholding consent to the applicant. Those factors are:

- (a) The financial history and condition of the bank,
- (b) The adequacy of its capital structure,
- (c) Its future earnings prospects,
- (d) The general character and fitness of its management,
- (e) The risk presented by the bank to the Bank Insurance Fund or the Savings Association Insurance Fund,
- (f) The convenience and needs of the community to be served, and
- (g) Whether its corporate powers are consistent with the purposes of the FDI Act.

“Subpart C - Establishment and Relocation of Domestic Branches and Offices@ of 12 CFR 303 - Applications, Requests, Submittals, Delegations of Authority, and Notices Required to be Filed by Statute or Regulation@ specifies the steps that respondents must take to comply with the statutory mandate.

##### 2. Use of Information Collected

The applicant is required to furnish information, in letter form, about the location of the proposed site, the involvement of bank insiders in the proposal, the impact of the proposal on the environment and compliance with local zoning laws, historic preservation

considerations, community services considerations, and evidence of public notice of the proposal. The information furnished by the applicant is used by the FDIC as a basis for evaluating the factors required by statute (12 USC 1828(d) and 1816) before approving the application.

3. Use of Technology to Reduce Burden

Respondents provide the information for this collection through the FDIC's secure interactive Website, *FDICconnect*.

4. Efforts to Identify Duplication

This collection does not duplicate information available elsewhere. The information is unique to the occasion to which the application relates. Information relating to the applicant's financial condition, which is a statutory consideration, is not part of the collection because that information is already available to the FDIC through the Report of Examination and the quarterly Report of Condition and Income (Call Report).

5. Minimizing the Burden on Small Banks

The information collected is only that required to evaluate the applicant, giving consideration to the statutory factors enumerated in section 6 of the FDI Act.

6. Consequences of Less Frequent Collections

The information is collected only when a bank wishes to establish a branch or move the main office or relocate a branch as required by statute.

7. Special Circumstances

There are no special circumstances.

8. Consultation with Persons Outside the FDIC

This collection has been the subject of a number of Notices of Proposed Rulemaking. Parts of the collection were developed under the auspices of the Conference of State Bank Supervisors by a working group comprised of representatives of selected state banking departments, the Federal Reserve Board and the FDIC.

9. Payment or Gift to Respondents

There are no payments or gifts to respondents.

10. Confidentiality

Identifying information regarding the applicant and its proposed transaction is publicly available. Any information deemed to be of a confidential nature would be exempt from public disclosure under relevant provisions of the Freedom of Information act (5 USC 552).

11. Information of a Sensitive Nature

No information of a sensitive nature is required.

12. Estimate of Annual Burden

Number of applications: 1,540.  
Hours to prepare an application: 5.  
Total annual burden hours: 7,700.  
Average hourly rate: \$40.  
Total annual cost: \$308,000.

13. Capital, Start-up, Operating, and Maintenance Cost Burden

There are no capital, start up, operating or maintenance costs.

14. Estimated Annual Cost to Federal Government

Hours required to review an application:  
Examiner hours.....4 @ \$40/hour = \$160.  
Clerical hours.....1 @ \$15/hour = 15.  
Average cost per application..... 175.

Total Cost to Federal Government: 1,540 annual applications x \$175 = \$269,500

15. Reason for Change in Burden

There is no change in burden.

16. Publication

Identifying information regarding the applicant and its proposed transaction is published through the FDIC's website. Any information deemed to be confidential would be exempt from public disclosure under relevant provisions of the Freedom of Information Act (5 USC 552).

17. Display of Expiration Date

No exceptions are requested for displaying the expiration date.

18. Exceptions to Certification

There are no exceptions to the certifications.

Attachments

1. 12 USC 1828(d) of the FDI Act.
2. 12 USC 1816
3. Subpart C, 12 CFR Part 303