

OMB Control Number 1557-0217
Supporting Statement For
Interagency Guidance on Asset Securitization Activities

A. Justification

1. Circumstances that make the collection necessary:

The OCC has determined that some institutions involved in asset securitization activities have significant weaknesses in their asset securitization practices. The Interagency Guidance on Asset Securitization Activities (Interagency Guidance) informed bankers and examiners of safe and sound practices regarding asset securitization. The information collections contained in the Interagency Guidance are needed by institutions to manage their asset securitization activities in a safe and sound manner.

2. Use of the information:

Bank management uses these information collections as the basis for the safe and sound operation of their asset securitization activities and to ensure that they minimize operational risk in these activities. The OCC uses this information to evaluate the quality of an institution's risk management practices. The OCC uses the information to assist institutions without proper supervision of their asset securitization activities to implement corrective action to conduct these activities in a safe and sound manner.

3. Consideration of the use of improved information technology:

These are recordkeeping requirements. An institution may use any improved information technology that they want as long as the information is usable for bank staff and management and so that the information can be provided to OCC examiners upon request.

4. Efforts to identify duplication:

These collections are unique to the individual bank and the instant situation.

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

These collections of information will not have a significant economic impact on a substantial number of small entities.

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

The information will be collected infrequently, only as the situation arises. Less frequent collection would not promote safe and sound bank operation.

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

These information collections are conducted in a manner consistent with the requirements of 5 CFR Part 1320.6.

8. Efforts to consult with persons outside the agency:

The OCC published these information collections for 60 days of comment. 72 FR 4324 (January 30, 2007). No comments were received.

9. Payment to respondents:

Not applicable. There is no payment to respondents.

10. Any assurance of confidentiality:

No assurances of confidentiality are made.

11. Justification for questions of a sensitive nature:

There are no sensitive questions.

12. Burden estimate:

The OCC estimates that approximately 42 national banks are involved in asset securitization activities. The burden per institution of this information collection will vary, based on the scope of the operations and depth and detail of the institution's existing policy statements, practices, and procedures. The OCC believes that many institutions, in following Generally Accepted Accounting Procedures (GAAP) and as a matter of usual and customary business practice, are in compliance with the Interagency Guidance. Further, the OCC determined that a national bank's documentation of fair value clearly is required under GAAP and thus is usual and customary business practice. Therefore, the OCC has reduced burden attributable to that task appropriately.

The OCC estimates that the average burden per national bank will average approximately 7.3 burden hours. The OCC also estimates that the total burden for this information collection will be 306 burden hours.

Burden is estimated as follows:

Asset Securitization Policy:

Institutions without existing policy (New entrants): 2 recordkeepers @ 32 hours = 64 burden hours

Institutions with existing policy (Needing upgrade): 4 recordkeepers @ 3 hours = 12 burden hours

Documentation of Fair Value:

42 recordkeepers @ 4 hours = 168 burden hours

Management Information System Improvements:

2 new entrants @ 20.8 hours = 42 burden hours

4 systems needing upgrade @ 5 hours = 20 burden hours

Total: 6 recordkeepers @ 10 hours = 62 burden hours

TOTAL BURDEN:

42 recordkeepers @ 7.3 hours = 306 burden hours

The OCC estimates the cost of the hour burden to respondents as follows:

Clerical:	20% x 306	=	61 @ \$25	=	\$ 1,525
Managerial/technical:	60% x 306	=	184 @ \$60	=	\$11,040
Senior management/professional:	20% x 306	=	61 @ \$100	=	\$ 6,100
Total:				=	\$18,665

13. Estimates of total annualized costs to respondents:

Not applicable.

14. Estimates of annualized cost to the Federal Government:

Not applicable.

15. Changes in burden:

This submission involves no change in burden.

Former Burden: 42 respondents; 306 burden hours

New Burden: 42 respondents; 306 burden hours

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

Not applicable. This information collection involves only recordkeeping at the institution and, thus, no information will be available to be published for statistical or other purposes.

17. Display of expiration date:

The OCC requests that it not be required to publish the expiration date on the Interagency Guidance.

18. Exceptions to certification statement:

Not applicable.

B. Collections of Information Employing Statistical Methods.

Not applicable.