Supporting Statement for
Interagency Guidance on Asset Securitization Activities
3064-0137

Introduction. The FDIC requests a three year renewal without change for a collection of information associated with interagency guidance on asset securitization. The collection applies to institutions engaged in asset securitization and consists in the development or upgrading of a written asset securitization policy, the documentation of fair value of retained interests, and a management information system to monitor securitization activities. This collection is scheduled to expire on July 31, 2007.

A. Justification

1. Circumstances and Need

The Interagency Guidance on Asset Securitization Activities (attached) informs 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 Information Collected

Bank managements use this information 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 FDIC uses the information to evaluate the quality of an institution's risk management practices, and to assist institutions without proper internal supervision of their asset securitization activities to implement corrective action to conduct these activities in a safe and sound manner.

3. Use of Technology to Reduce Burden

These are recordkeeping requirements. An institution may use any information technology as long as the information is available to bank staff and management and the information can be provided to FDIC examiners on request.

4. Efforts to Identify Duplication

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

5. Minimizing the Burden on Small Banks

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

6. Consequences of Less Frequent Collections

The information will be collected infrequently, only as the situation arises. Less frequent collection would be inconsistent with safe and sound bank operation.

7. Special Circumstances

There are no special circumstances.

8. Consultation with Persons Outside the FDIC

The Interagency Guidance was developed based on consultations with financial institutions during regularly scheduled examinations by personnel of the FDIC, Office of the Comptroller of the Currency, Federal Reserve Board, and the Office of Thrift Supervision. The agencies relied on the experience of their personnel in these examinations and those communications as the basis for drafting this Interagency Guidance, and then submitted a draft to notice and comment before finalizing it. Prior to th is submission, a "first" *Federal Register* notice inviting public comment on the collection was published on March 15, 2007 (72 FR 12176). No comments were received. Simultaneous with this submission a "second" *Federal Register* notice is published announcing the submission and seeking comment on it.

9. Payment or Gift to Respondents

None.

10. Confidentiality

No assurances of confidentiality are made.

11. Questions of a Sensitive Nature

There are no sensitive questions.

12. Estimates of Annualized Hour Burden and Associated Cost

The FDIC estimates that approximately 20 state nonmember banks are involved in asset securitization activities. The burden per institution will vary, based on the scope of the operations and the depth and detail of an institution's existing policy statements, practices, and procedures. Most institutions are already in partial to full compliance with the Interagency Guidance. The FDIC estimates burden for this collection as follows:

Asset Securitization Policies. Policies are now in place at almost all institutions that engage in securitization, because the guidance has been in place for more than four years. Any policy revisions should be minor and technical.

1 new entrant @ 32 hours per policy = 32 hours
2 upgrades of policies @ 3 hours per upgrade = 6 hours

Documentation of fair value.

20 institutions required to document fair value @ 4 hours per institution = 80 hours

MIS Improvements.
1 new entrant @ 21 hours = 21 hours
2 systems upgrades @ 5 hours per upgrade = 10 hours

Total burden = 32 + 6 + 80 + 21 + 10 hours = 149 hours

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

Clerical:	35 % x 149	=	52.15 @ $20	=	$1,043
Managerial/Technical:	50 % x 149	=	74.50 @ $40	=	$2,980
Senior Management/Professional	15 % x 149	=	22.35 @ $80	=	$1,788
Total Cost to Respondents:				=	$5,811

13. Capital/Start-up and Operation/Maintenance Costs

No capital outlay is required.

14. Annualized cost to the Federal Government

None.

15. Reason for Change in Burden

There is no change in burden.

16. Publication

None.

17. Display of Expiration Dates

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

18. Exceptions to Certification

Not applicable.

B. STATISTICAL METHODS

Not applicable.

Links:

1. Interagency Guidance on Asset Securitization Activities.
2. “First” Federal Register notice.
3. “Second” Federal Register notice.