

SUPPORTING STATEMENT
OMB Control No. 1550-0023
Thrift Financial Report: March 2008 Revisions

A. JUSTIFICATION

1. *Circumstances and Need*

The Office of Thrift Supervision (OTS) collects financial data from insured savings associations, which are used to regulate and supervise the industry and to develop policy. The vehicle used to collect these data is the Thrift Financial Report (TFR). OTS collects financial data from insured savings associations, their subsidiaries, and their holding companies in order to assure their safety and soundness as depositories of the personal monies of the general public.

On March 31, 2007, the Office of the Comptroller of the Currency (OCC), Treasury; Board of Governors of the Federal Reserve System (Board); Federal Deposit Insurance Corporation (FDIC); and the OTS introduced a revision and reduction in the overall reporting requirements related to deposit insurance assessments in Call Report Schedule RC-O and TFR Schedule DI, respectively, that was intended to simplify regulatory reporting. As part of these revised overall reporting requirements, the agencies provided an interim period covering the March 31, 2007, through December 31, 2007; report dates during which each institution had the option to submit its Call Reports or TFRs using either the current or revised formats for reporting the data used to measure their assessment base. The revised reporting format will take effect for all institutions on March 31, 2008, at which time the current reporting format will be eliminated.

The instructions issued in March 2007 for the revised reporting format state that an institution that becomes newly insured on or after April 1, 2008, would be required to report daily average balances beginning in the first quarterly Call Report or TFR that it files. However, these instructions do not conform to the language in Section 327.5(a)(1) of the FDIC's

assessment regulations (12 CFR 327.5(a)(1)) with respect to their treatment of institutions that become insured between April 1, 2007, and March 31, 2008. Therefore, the agencies proposed to revise the instructions to Call Report Schedule RC-O and TFR Schedule DI to require an institution that becomes insured after March 31, 2007, but on or before March 31, 2008, to begin reporting daily average balances in its Call Report or TFR for the March 31, 2008, report date.

On September 11, 2007, the banking agencies and the OTS requested comment on proposed revisions to the Call Report and the TFR (72 FR 51814), which are currently approved collections of information. All four agencies proposed to revise the Call Report and TFR instructions for reporting daily average deposit data by newly insured institutions for deposit insurance assessment purposes to conform the instructions with the FDIC's assessment regulations (12 CFR Part 327). The revision would eliminate seven line items from TFR Schedule DI. This was the only revision proposed to the TFR.

The revisions to the Call Report and the TFR, which were approved for publication by the Federal Financial Institutions Examination Council (FFIEC), were proposed to take effect as of March 31, 2008. No comments were received on the instructional change for reporting daily average deposit data by newly insured institutions (the only proposed revision that also applied to the TFR). Thus, the revision for reporting daily average deposit data by newly insured institutions will be implemented as proposed.

2. *Use of Information Collected*

OTS uses this information to monitor the condition, performance, and risk profile of individual institutions and systemic risk among groups of institutions and the industry as a whole.

3. *Use of Technology to Reduce Burden*

Since 1993, all reporting associations file their TFRs electronically. Electronic transmission has significantly reduced the reporting burden and has improved data quality by reducing transcription errors and providing edit checks at the source of the data entry. OTS internally developed and maintains the electronic filing software and provides it free-of-charge to all savings associations in Microsoft Windows on a CDROM. The electronic software sums totals, brings forward beginning balances, and calculates certain fields, eliminating the need for data entry for approximately 20% of the fields in the TFR. There are over 900 edit checks in the electronic software that allow associations to self-edit their data prior to transmitting the report. The software allows associations to explain any valid deviations from the edits in a memorandum system called "User Notes." These enhancements reduce the amount of time OTS staff has to spend in validating the data and reduce the number of phone calls made to the associations, thus reducing burden on the industry. OTS is currently exploring a web-based data collection application. A web-based application will achieve greater efficiencies in the data collection and report dissemination processes.

4. *Efforts to Identify Duplication*

This information collection is not duplicative within the meaning of the PRA and OMB regulations. Information that is similar to or that corresponds to information that could serve OTS's purpose and need in this information collection is not being collected from OTS regulated institutions by any other means or for any other purpose; nor is this information otherwise available in the detail necessary to satisfy the purpose and need for which this collection of information is undertaken. However, the data gathered in this information collection are shared with the other Federal financial institution regulators, state financial institution regulators, and other Federal agencies.

5. *Minimizing the Burden on Small Firms*

Although the collection of information affects a significant number of small businesses, OTS does not anticipate that the net economic impact will be large.

6. *Consequences of Less Frequent Collection*

Collection of this information less frequently than quarterly would hinder the ability of OTS to monitor the industry and perform its supervisory function.

7. *Special Circumstances*

This collection meets the guidelines in 5 C.F.R. Part 1320.

8. *Consultation with Persons outside the OTS*

The banking agencies and the OTS have jointly published the 60-day Federal Register Notice and comments are posted on our web page.

Changes to Schedule DI

No comments were received on the instructional change for reporting daily average deposit data by newly insured institutions (the only proposed revision that also applied to the TFR). Thus, the revision for reporting daily average deposit data by newly insured institutions will be implemented as proposed.

9. Payment of Respondents

OTS provides no payment or gift to respondents.

10. Confidentiality

OTS does not include in the TFR instructions any explicit guarantee of confidentiality of this information. All but a very limited number of TFR data items, are available to the general public. Data from Schedules LD and HC, including the proposed changes, are confidential. Other data revisions proposed in this notice are available to the general public. For a complete listing of TFR confidential data, please see <http://www.ots.treas.gov/docs/7/78196.pdf>.

11. Information of a Sensitive Nature

The TFR form does not request any information that could be considered personally sensitive.

12. Estimate of Annual Burden

OTS estimates 838 savings associations (“respondents”). The total annual hour burden to the respondents is estimated at 122,348, representing 4 submissions per respondent at 36.5 hours each submission.

$$838 \text{ savings associations} \times 36.5 \text{ hours} = 30,587 \text{ hours per response}$$

$$30,587 \text{ hours} \times 4 \text{ submissions per year} = 122,348 \text{ hours.}^*$$

*The estimate applies to Schedules SC, SO, VA, PD, CC, CF, DI, SI, and SQ only. The proposed total estimate for the entire TFR is 193,881 hours. Please refer to the attached chart for burden detail by schedule.

13. Estimate of Annual Cost

The cost to the thrift industry for the reporting burden of these quarterly TFR schedules would be \$3,058,700.

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The burden per report was derived by multiplying the number of items requiring input by the number of reports per year, with appropriate adjustment of especially difficult items. Variation in burden among reporting associations exists depending on the extent to which their activities require an entry in every item requested on the reporting form, the complexity of calculating the entry for an individual association, and the extent to which their own accounting systems conform to the requirements of the reporting form.

14. *Estimates of Annualized Cost to Government*

The total annualized cost to the federal government will be minimal.

15. *Reason for Change in Burden*

This submission reflects a decrease in the number of respondents (from 845 to 838) resulting in an adjustment of -1,600 hours. Also an increase in the form of a program change in the amount of 2,342 hours.

16. *Publication*

OTS publishes a series of statistical reports of aggregate data on a national and geographical area basis. Financial institutions, investment consultants, real estate consultants, brokers, and appraisers as well as other Federal and state government agencies and institutions of higher learning use the publications. These statistical reports are an adjunct to the data collected, which are primarily for supervisory purposes.

17. *Expiration Date*

OTS has received permission to not display the expiration date on this form. This form is revised and issued annually. The expiration date will not assist the public in determining if this is the correct form to be used when filing with OTS. In addition, OTS distributes copies of the current form to all institutions and other interested parties and posts it on the OTS web site whenever the report is changed.

18. *Exceptions*

There are no exceptions to the certification statement on OMB Form 83-I.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.