

**SUPPORTING STATEMENT FOR  
OPERATING SUBSIDIARIES  
OMB CONTROL NO. 1550-0077**

A. JUSTIFICATION

1. Circumstances and Need

12 C.F.R. Part 559 permits federally chartered savings associations to establish and acquire operating subsidiaries. The savings association requesting to establish or purchase an operating subsidiary must provide the Office of Thrift Supervision (OTS) with prior notification through either an application or a notice. OTS reviews the information to determine whether the savings association's request is in accordance with existing statutory and regulatory criteria.

There is no third party requirement for operating subsidiary notifications or applications.

2. Use of Information Collected

OTS analyzes the information contained in the notice or application to determine if the savings association is in compliance with applicable statutes, regulations and policies.

If the information were not collected, OTS would not be able to properly evaluate whether the proposed operating subsidiary, or proposed activity in an existing subsidiary, meets applicable statutory and regulatory requirements.

3. Use of Technology to Reduce Burden

This information collection is not amenable to reduction through improved technology at this time.

4. Efforts to Identify Duplication

There is no information requested that is collected by OTS in any other way.

5. Minimizing the Burden on Small Firms

The statutory provisions do not distinguish a respondent by the size of its assets.

6. Consequences of Less Frequent Collection

The information is required only once for each establishment or acquisition of an operating subsidiary or each proposed new activity to be conducted in an existing operating subsidiary. If the required information were not submitted by the savings association each time this type of transaction is proposed, it would be impossible for OTS to evaluate the proposed operating subsidiary or the proposed activity.

7. Special Circumstances

For OTS purposes, recordkeeping is required for three years or two examination cycles to ensure that the board of directors of the parent savings association has

certified that the operating subsidiary will engage solely in permitted activities. The recordkeeping requirement may extend longer as necessary.

8. Consultation with Persons outside the OTS

The 60-Day FRN was published on September 27, 2007. OTS has not received any comments.

9. Payment of Respondents

OTS provides no payment or gift to respondents.

10. Confidentiality

Certain information is not available to the public, including: 1) information exempt from disclosure by the statute or executive order; 2) information contained or related to examination, operating or condition reports prepared for agency use; and 3) privileged information related to the business, personal or financial affairs of any person that is furnished in confidence.

11. Information of a Sensitive Nature

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

12. Estimated Annual Hour Burden

Transactional Hour Burden to Respondents:

Number of Submissions	68
Hours per Submission	<u>× 10*</u>
Total Hours	680

\*Burden hour estimate includes both standard (10 hours) and expedited (10 minutes) applications.

Recordkeeping Burden:

Number of Recordkeepers	68
Annual Records per Recordkeeper	<u>× 1</u>
Total Records	68
Number of Hours per Record	<u>× 4</u>
Total Hours per Year	272

Total burden hours for this information collection are 952 (680 + 272).

13. Estimate of Annual Cost

Transactional Cost to Respondents:

Number of Hours	680
-----------------	-----

Cost Per Hour	<u>          100</u>
	\$ 68,000
Application Fees	<u>          \$108,000</u>
Total Cost	\$176,000

Recordkeeping Cost:

Number of Hours	272
Cost Per Hour	<u>          \$ 50</u>
Total Cost	\$ 13,600

14. Estimate of Annualized Cost to Government

The information is reviewed individually. The total annual cost to the government for each transaction is estimated at approximately \$108,000 that is offset by fees collected from the respondents of the same amount.

15. Reason for Change in Burden

OTS is not citing an adjustment in the burden.

16. Publication

Not applicable.

17. Expiration Date

OTS has received permission to not display the expiration date on the forms. The expiration date will not assist the public in determining if this is the correct form to be used when filing with the OTS.

18. Exceptions

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

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.