

SUPPORTING STATEMENT
Notice of Hiring or Indemnifying Senior Executive Officers or Directors
OMB Control No. 1550-0047

A. JUSTIFICATION

1. Circumstance and Need

Pursuant to 12 U.S.C. 1817(j), persons who proposed to acquire control of a savings association or savings and loan holding company must provide prior written notice to the Office of Thrift Supervision (“OTS”). That notice will now be made on the “Interagency Notice of Change in Director or Senior Executive Officer” and supplemented, as necessary, by information on the “Interagency Biographical and Financial Report.” Required notices must include at a minimum the information described in 12 U.S.C. 1817(j)(6)(A).

In addition, pursuant to 12 U.S.C. 1831i, depository institutions and their holding companies are required to notify OTS of the proposed addition of any individual to its board of directors or the employment of any individual as a senior executive officer. The notification is to be given at least 30 days before such addition or employment becomes effective, if the institution or holding company: (1) has undergone a change of control within the preceding two years; or (2) is not in compliance with the minimum capital requirements applicable to such institution, or is otherwise in a troubled condition. Notices under 12 U.S.C. 1831i must include, at a minimum, the information described in 12 U.S.C. 1817(j)(6)(A). OTS is authorized to issue a Notice of Disapproval of the individual if, because of that individual’s competence, experience, character, or integrity, permitting the individual to be employed by, or associated with, the institution or holding company would not be in the best interests of the depositors of the institution or in the best interests of the public.

Further, OTS is required to consider the management resources, including the competence, experience, and integrity of officers, directors, and principal shareholders of companies that file a holding company application under 12 U.S.C. 1467(e), and institutions that apply for a Federal charter under 12 U.S.C. 1464(a) and 1464(e). The information required is used by OTS to evaluate the merits of individuals in light of these statutory criteria.

OTS Form No. 1606 is referred to colloquially as the “No-crook Certification.” This application certification information is collected through a thrift bulletin issued by the OTS. Other Federal banking agencies may not require such certifications.

Pursuant to 12 C.F.R. 545.121(c)(iii), depository institutions may make no indemnification of its directors, officers or employees without providing the OTS at least 60 days’ notice of its intention to make such indemnification. No particular form is prescribed for that notice. Most notices would be expected in letter-format. The

OTS needs this information to assure that the institution's indemnification policy is consistent with the safe and sound operation of the institution.

2. Use of Information Collected

As discussed above, 12 U.S.C. 1831i requires OTS to make a determination as to the hiring or appointment of senior executive officers or directors at savings institutions or thrift holding companies. The OTS's determination must be based upon an evaluation of the individual's competence, experience, character, and integrity. The information required by the collection is necessary to make this determination. Without this information, the OTS cannot accomplish the statutory requirement designed to protect the interests of the Savings Association Insurance Fund ("SAIF").

The OTS has delegated the Regional Director, or his designee, at each Regional Office the authority to approve or deny these requests. They evaluate the individual's educational and professional experience to determine competence in the proposed position. An evaluation of the individual's proprietary interests identifies conflicts of interest that may render such person unsuitable for the position. Finally, information such as an individual's criminal offenses, lawsuits, and related disclosures, enable further evaluation of the individual's integrity and character.

3. Use of Technology to Reduce Burden

Automated information systems are not used to obtain or process the information required by the proposed information collection, therefore, the use of improved technology to reduce the burden is not applicable.

4. Efforts to Identify Duplication

Each Notice and the accompanying information is unique. Specific details of the Notice and information can only be provided by the individual in question, through the institution or holding company. We are unaware of any required information that duplicates other information retained by the OTS.

5. Minimizing the Burden on Small Firms

Some of these institutions may be considered small businesses. The information collection does not differentiate information requirements on the basis of an institution's or holding company's size because the OTS is responsible for evaluating each new addition to these positions regardless of the applicant's size.

6. Consequences of Less Frequent Collection

Inasmuch as the Notice information is submitted only once for an individual, each Notice is unique to that individual. The OTS could not evaluate the proposed individual if the required information is not submitted by an institution or holding company on the individual's behalf each time this type of addition is proposed.

7. Special Circumstances

The information collection is conducted in a manner consistent with the guidelines set out in 5 CFR 1320.6.

8. Consultation With Persons Outside the OTS

Notice of intent to renew this information collection was published in the "Federal Register" Vol.72, Page 67785 on November 30, 2007. OTS did not receive any comments.

9. Payment of Respondents

OTS provides no payment or gifts to respondents.

10. Confidentiality

Certain information is unavailable to the public including (i) information exempt from disclosure by statute or executive order, (ii) information contained or related to examination, operating, or condition reports prepared for agency use, and (iii) privileged information related to the business, personal, or financial affairs of any person furnished in confidence.

11. Information of a Sensitive Nature

No questions of a sensitive nature are required by the proposed information collection.

12. Estimate of Annual Hour Burden

| | | | |
|--------------|------------------|---|-------------------|
| Form 1624 | 100 x 2 hours | = | 200.0 hours |
| Form 1606 | 100 x .333 hours | = | <u>33.3 hours</u> |
| Total Burden | | | 233.3 hours |

13. Estimate of Annual Cost

In addition to the application filing fee of \$500 per respondent, the total annualized cost for collecting the information for each respondent is calculated at an hourly rate of \$50

per hour. This figure is based on an average cost representing a mixture of analytical and support personnel. Listed below are the forms and estimated costs:

| <u>Form</u> | <u>Number of Forms</u> | <u>No. Hours Per Form</u> | <u>\$50 Per</u> | <u>Total Dollars</u> |
|-------------------------|------------------------|---------------------------|-----------------|----------------------|
| Notice Form 1624 | 100 | 2 | \$50 | \$ 10,000 |
| Certification Form 1606 | 100 | .333 | \$50 | 1,665 |

Application Fees:

| | <u>No. filed</u> | <u>Fee Amount</u> | <u>Total</u> |
|-----------|------------------|-------------------|--------------|
| Form 1624 | 100 | \$500 | \$50,000 |

14. Estimate of Annual Cost to Government

The total estimated annualized cost to the government for collecting the information is minimal because: (i) the Interagency Notice of Biographical and Financial Report is currently utilized in connection with other types of applications; (ii) there will not be any developmental, computer, or other equipment costs; and (iii) no new employees will be hired to evaluate the information.

15. Reason for Change in Burden

OTS is citing two reasons for a change in burden for this collection. The first is due to the fact that this collection does not calculate the burden for the "Change of Control" collection instrument. This burden will be cited under 1550-0032. Once OMB has approved these two collections, OTS will combine the burden under one OMB control number. The second reason is due to the fact that the previous submission overstated the number of respondents. The respondents cited in this collection are based on true numbers received last year.

16. Publication

Not applicable.

17. Expiration Date

The OMB expiration date will be displayed on the Interagency Notice of Change in Director or Senior Executive Officer and the Interagency Biographical and Financial Report.

18. Exceptions

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

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.