

SUPPORTING STATEMENT
NOTICE OF BRANCH CLOSURE
(OMB No. 3064-0109)

INTRODUCTION

The Federal Deposit Insurance Corporation is requesting an extension of the expiration date of the currently approved information collection captioned above, without any change in the substance or method of collection. The current clearance for the collection expires on March 31, 2008. The information collection requirements are contained in the Interagency Policy Statement on Advance Notice of Branch Closings (attached).

A. JUSTIFICATION

1. Circumstances and Need

Section 42 of the Federal Deposit Insurance Act mandates that an institution closing a branch notify its primary federal regulator not later than 90 days prior to the closing. The statute also provides that a notice be posted on the premises of the branch for the 30-day period immediately prior to the closing and that the customers be notified in a mailing at least 90 days prior to the closing. Each insured depository institution is required to adopt policies for branch closings.

This section charges the FDIC with the responsibility of enforcing the provisions and filing requirements. To fulfill its statutory mandate, the FDIC in cooperation with other federal financial institution regulators developed an Interagency Policy Statement on Advance Notice of Branch Closings.

2. Use of Information Collected

The information in the notices and in the policy statements is used by the FDIC as part of its oversight of an institution's record of serving the needs of its community. Such information allows the FDIC to make judgments of the reasonableness of the bank's record of opening and closing offices.

3. Use of Technology to Reduce Burden

The FDIC has an interactive website, *FDICconnect*, that allows insured institutions to submit certain filings to the FDIC electronically. While Notices of Branch closure cannot currently be submitted through *FDICconnect*, the FDIC's goal is ultimately to allow banks to submit all filings through this medium. Of the 2,245 applications received by the FDIC in the most recently measured 12-month period, 813 (36%) were submitted electronically and staff continues to work toward the goal of 100% electronic filings.

4. Efforts to Identify Duplication

These collection requirements parallel the statutory language of Section 42. The FDIC works closely with other Federal financial institution regulators to assure interpretation of the requirements is uniform and does not involve any duplicated information. There is no similar information available to the FDIC.

5. Minimizing the Burden on Small Institutions

An exception has been granted to the requirement to formulate policies for branch closure for institutions that currently do not have a branch office. All other institutions, regardless of size, must submit the same notices and formulate the same type policies. The notice requirements parallel the statutory requirements of Section 42.

6. Consequence of Less Frequent Collection

The collections in the interagency statement vary in frequency. Some are one-time filings; others are on occasion. In every case, frequency is consistent with the statutory mandate. Less frequent collection would result in non-compliance with the law.

7. Special Circumstances

None.

8. Consultations with Persons Outside the FDIC

The issues relating to the drafting of the Interagency Statement were considered after close consultation with the OCC, OTS and Federal Reserve. In addition, a “first” Federal Register notice (attached) seeking comment was published on February 5, 2008 (73 FR 246725). No comments were received.

9. Payment or Gift to Respondents

None.

10. Confidentiality

The information required in the interagency statement is generally available to the public; however, any information deemed to be of a confidential nature would be exempt from public disclosure under the provisions of the Freedom of Information Act (5 USC 552).

11. Information of a Sensitive Nature

No questions of a sensitive nature are included in the collections.

12. Estimates of Hour Burden and Annual Cost

	<u>Number of Respondents</u>	<u>Frequency</u>	<u>Hours per Response</u>	<u>Annual Burden Hrs.</u>
Notice of Closure	459	1	2	919
Adoption of Policy	50	1	8	400
Total	509		2.6	1,319

The adoption of policies is a one-time activity, repeated only if the institution finds need to revise its policy. Notices of closure are submitted on occasion as needed.

Estimated cost: 1,319 hours x \$45/hour = \$59,355

13. Capital, Start-Up and Maintenance Costs

None.

14. Estimated Annual Cost to the Federal Government

	<u>Total Annual Responses</u>	<u>Average Hours per Response</u>	<u>Cost per Hour</u>	<u>Total Annual Cost</u>
Notice of Closure	459	3	\$45	\$61,965
Adoption of Policy	50	3	\$45	\$6,750
Total	509	3	\$45	\$68,715

15. Reason for Change in Burden

The change in burden from 3,436 hours to 1,319 hours (-2,117 hours) is an adjustment reflecting a three year average (2005-2007) of the actual number of notices received by the FDIC.

16. Publication

Collections of information under the interagency statement are not published.

17. Display of Expiration Dates

This collection of information is mandated by statute and is not implemented by regulation or collected through an instrument.

18. Exceptions to Certification

None.

B. STATISTICAL METHODS

Statistical methods are not employed in this collection.