

**SUPPORTING STATEMENT  
MERGER APPLICATIONS  
OMB Control No. 1550-0016**

**A. JUSTIFICATION**

**1. Circumstances and Need**

No savings association may, without application to and approval by the Office of Thrift Supervision (“OTS”) combine with any insured depository institution if the acquiring or resulting institution is to be a savings association, or assume liability to pay any deposit made in any insured depository institution. Transactions in which a thrift institution merges with an FDIC-insured depository institution must be reviewed by OTS under the Bank Merger Act (“BMA”), 12 U.S.C. 1828(c) of the Federal Deposit Insurance Act. OTS merger regulations are found at 12 C.F.R. Section 563.22(a), and corporate governance requirements are found at 12 C.F.R. Part 546.3 and 12 C.F.R. Section 552.13.

As set forth in Section 552.13, a merger is defined as uniting two or more depository institutions by the transfer of all property rights and franchises to the resulting depository institution that retains its corporate identity. Merger transactions may be characterized three ways: (1) voluntary or supervisory acquisition and merger by a savings association of a savings association; (2) acquisition and merger by a savings association of a commercial entity; and (3) acquisition of certain assets and possible assumption of certain liabilities (branch acquisition) by a savings association of a commercial entity. Completion of the “Interagency Bank Merger Act Application” is required for these transactions.

Additionally, an applicant is required to submit information concerning its affiliation with a company engaged in insurance activities that is subject to supervision by a state insurance regulator, in accordance with the recent change to Section 307(c) of the Gramm-Leach-Bliley Act (GLBA). Revised Section 307(c) of GLBA (15 U.S.C. 6716(c)) requires the appropriate agency to consult with the appropriate state insurance regulator prior to making any determination relating to the initial affiliation of, or the continuing affiliation of, a depository institution with a company engaged in insurance activities. As a result, the agencies propose to add an item to the form to collect information regarding the name of an affiliated insurance company, a description of its insurance activities, and the name of the state in which the company is domiciled or in which it has a resident license. Additionally, the General Instructions contain technical corrections to make them uniform with the proposed revisions to the “Interagency Charter and Federal Deposit Insurance Application” form.

**Third Party Requirements**

An applicant is required to publish notice of the filing of a merger application with OTS. The publication must occur no earlier than seven days before and no later than the date of filing of the application.

2. Use of Information Collected

Generally, merger applications are processed by OTS Regional Offices under delegated authority. Applications are reviewed by staff of the Regional Office to determine whether the application complies with the regulations and OTS policy. Certain situations, however, may cause a filing to be nondelegated, including: (i) transactions raising significant issues of law or policy; (ii) transactions that are hostile or contested; (iii) transactions that raise significant competitive factors issues; and (iv) transactions involving CRA protests. If delegated, the application should be filed with the appropriate Regional Office in accordance with 12 C.F.R. Part 516.

The applicant should file the original and two copies of the application and the application filing fee with the Regional Office. The original filing, all copies, and all exhibits and other pertinent documents must be clearly marked and captioned as to the type of filing. For applications that are not delegated to the Regional Office, an additional three copies of the application should be filed with the Applications Filing Room in OTS-Washington.

3. Use of Technology to Reduce Burden

Currently, this information collection is not amenable to reduction through improved technology.

4. Efforts to Identify Duplication

There is no information requested on the forms that is collected by the 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. OTS is responsible for evaluating each request regardless of the applicant's size.

6. Consequences of Less Frequent Collection

Inasmuch as the application information is submitted for each request and each application request is unique, it would be impossible for OTS to evaluate the proposed merger if the required information is not submitted each time a transaction is proposed.

7. Special Circumstances

The information collection, under certain circumstances, requires additional copies of the filings in addition to the number required in accordance with the guidelines set out in 5 C.F.R. 1320.6. For example, applicants subject to the BMA are required to file four additional copies of the application with the appropriate Regional Office. These copies

are distributed to the Department of Justice, Office of the Comptroller of the Currency, Federal Reserve Board, and Federal Deposit Insurance Corporation.

8. Consultation with Persons Outside OTS

Notice of the intent to revise this information collection was published in the Federal Register, May 22, 2008 (72 FR 73). OTS has not received any comments.

9. Payment of Respondents

No payments or gifts are made in connection with this information collection.

10. Confidentiality

Certain information is not available to the public including, among other things:

1) information exempt from disclosure by statute or executive order; 2) information contained or related to examination, operating or condition reports prepared by agency use; and 3) privileged information related to the business, personal, or financial affairs of any person that is furnished in confidence. The application to be used for the collection indicates that the information will be confidential as it relates to the business, personal, and financial affairs of an individual.

11. Information of a Sensitive Nature

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

12. Annual Hour Burden Estimate

Although the form has been revised the burden estimate remains as follows: 1) an estimated 493 hours for preparation of the application, representing 17 applications at 29 hours per submission; and 2) an estimated 17 hours for the third party disclosure requirement, representing one hour per submission. Total estimated total hour burden to the respondents for the collection is 510 hours. The costs associated with the collection include: 1) application preparation cost per respondent is estimated at \$3,000 representing 30 burden hours at \$100 per hour; 2) publication cost to the applicant is estimated at \$208, for 26 lines at \$8.00 per line for one publication; and 3) application filing fees averages \$4,250. Estimated total annual cost per respondent is \$7,458.

13. Estimate of Annual Cost

There are no costs for startup or for operation and maintenance services.

14. Estimate of Annual Cost to Government

OTS determines its application fees based upon the associated hour burden. The merger application fee is \$4,000; the thrift acquisition of a commercial bank fee is \$8,000; and the acquisition of a commercial bank branch is \$4,000. Annual fees collected for these applications are: \$16,000 for merger; \$8,000 for thrift acquisition of a bank; and \$44,000 for thrift acquisition of a bank branch. The estimated average cost to the government is \$4,250 per application.

15. Reason for Change in Burden

OTS is citing a burden increase of 14 hours due to an increase in the number of respondents.

16. Publication

Not applicable.

17. Expiration Date

OTS requests permission to not display the expiration date on the forms. The OMB Control Number is displayed in the regulation table at 12 C.F.R. 506.1.

18. Exceptions

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

**B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS**

Not applicable.