

SUPPORTING STATEMENT  
NOTIFICATION OF CHANGES IN INSURED STATUS  
(3064-0124)

INTRODUCTION

The FDIC is requesting approval to renew the above-captioned collection of information. The collection consists of two parts: a certification that insured depository institutions provide the FDIC when all deposit liabilities from one insured depository institution are assumed from another insured depository institution, with the latter institution responsible for providing the certification, and a notification that insured depository institutions provide to the FDIC when they seek to voluntarily terminate their insured status.

A. JUSTIFICATION

1. Circumstances and Need

The certification is necessary to implement the provisions of section 8(q) of the FDI Act, 12 U.S.C. 1818(q), regarding termination of the insured status of the transferring institution and termination of the separate deposit insurance coverage provided on deposit accounts assumed by the assuming institution.

The depositor notification is required by section 8(a)(6) of the FDI Act, 12 U.S.C. 1818(a)(6). This provision ensures that the institution's depositors receive appropriate information regarding the institution's intent to terminate its insured status and that, prior to the termination of the institution's insured status, depositors receive appropriate information concerning federal deposit insurance coverage of their accounts once the institution's insured status is terminated.

2. Use of the Information Collected

The certification is intended to satisfy section 8(q)'s "satisfactory evidence of such assumption" requirement, which is a condition that must be met before the transferring institution's insured status can be terminated pursuant to section 8(q)(1) of the FDI Act (12 U.S.C. 1818(q)(1)). The certification also provides the FDIC with notice of when the assumption takes effect to determine the continuation of separate deposit insurance coverage on the assumed deposits. The certification is submitted to the FDIC and utilized in making the determination whether to terminate the transferring depository institution's insured status.

The depositor notification letter is submitted to the FDIC prior to its dissemination to depositors when an insured depository institution seeks to terminate its insured status without having its deposits assumed by another insured depository institution. The FDIC reviews the proposed depositor

notification letter to assure that the interests of the institution's depositors are safeguarded.

3. Use of Technology to Reduce Burden

Institutions are free to use whatever methods are the least burdensome to them for sending the certification and depositor notification letters to the FDIC.

4. Efforts to Identify Duplication

Some information concerning deposit liabilities assumed or proposed to be assumed by merger, consolidation, other statutory assumption, or contract is required to be filed with the FDIC, pursuant to our assessment regulations (12 CFR Part 327) and our procedures regulations (12 CFR Section 303). Information filed with the FDIC in semi-annual reports, pursuant to Part 327, does not specify the institution whose deposits were assumed or when the assumption took effect. Therefore, while there is some overlapping of general information being submitted, the information contained in the certification provides the FDIC with more specific and timely data needed to comply with the requirements of section 8(q) of the FDI Act. Additionally, the regulation provides the FDIC and the industry with a clear standard for judging when an insured depository institution's insured status should be terminated.

5. Minimizing Burden on Small Entities

This collection is required by statute; there are no provisions for alternatives for small business. However, the FDIC has attempted to reduce burden for small entities by providing sample formats that will satisfy the information requirements.

6. Consequences of Less Frequent Collections

The collections of information are required only when insured depository institutions voluntarily choose to engage in specified activities.

7. Special Circumstances

None.

8. Consultation with Persons Outside the FDIC

A notice of proposed renewal was published in the Federal Register for comments on October 21, 2008 (73 FR 62499). No comments were received.

9. Payment or Gift to Respondents

None.

10. Confidentiality

None.

11. Information of a Sensitive Nature

None.

12. Estimate of Annual Burden

Estimated number of respondents:  
280 for certification and 5 for notification.

Average annual burden hours:  
1/4 hour for the certification and 1 hour for the notification.

Average annual burden hours: 75 hours

13. Capital, Start-up, Operating, and Maintenance Cost Burden

None.

14. Estimated Annual Cost to Federal Government

N/A

15. Reason for Change in Burden

N/A

16. Publication

No publication will be made of this information.

17. Display of Expiration Date

Not applicable.

18. Exceptions to Certification

None.