SUPPORTING STATEMENT
Federal Deposit Insurance Corporation
Consolidated Reports of Condition and Income (Call Report)
FFIEC 031 and 041 (OMB No. 3064-0052)

The Federal Deposit Insurance Corporation (FDIC), in coordination with the Board of Governors of the Federal Reserve System (Board), the Office of the Comptroller of the Currency (OCC), and the Office of Thrift Supervision (OTS) (collectively, the "agencies"), each of which is submitting a separate request, hereby request approval by November 26, 2008, for revisions to the currently approved collections of information identified above pursuant to the Office of Management and Budget's (OMB) Paperwork Reduction Act (PRA) emergency processing procedures at 5 CFR § 1320.13. These revisions arise from interim and final rules approved by the FDIC Board of Directors on October 23, 2008, and November 21, 2008, respectively, which implement the FDIC's Temporary Liquidity Guarantee (TLG) Program. The revisions involve reporting requirements applicable to eligible insured depository institutions participating in the Transaction Account Guarantee Program component of the TLG Program. The information obtained will allow the FDIC to determine assessment fees on noninterest-bearing transaction accounts, as defined in the final rule, for entities participating in the Transaction Account Guarantee Program. The reporting revisions would be implemented in the Call Report, TFR, and FFIEC 002 beginning December 31, 2008.

A. JUSTIFICATION

1. Circumstances and Need

Section 141 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA), Pub. L. No. 102-242 (Dec. 19, 1991), added Section 13(c)(4)(G) to the Federal Deposit Insurance Act (FDI Act). 12 USC 1823(c)(4)(G). That section authorizes action by the federal government in circumstances involving a systemic risk to the nation's financial system. On October 13, 2008, in response to the unprecedented disruption in credit markets and the resultant effects on the abilities of banks to fund themselves and to intermediate credit, the Secretary of the Treasury (after consultation with the President) made a determination of systemic risk following receipt of the written recommendation of the FDIC Board, along with the written recommendation of the Federal Reserve Board, in accordance with Section 13(c)(4)(G). The systemic risk determination allows the FDIC to take certain actions to avoid or mitigate serious adverse effects on economic conditions or financial stability. Pursuant to the systemic risk determination, the FDIC Board established the TLG Program. Under the interim rule, the TLG Program was comprised of (1) a guarantee by the FDIC of all senior unsecured debt of insured depository institutions and their bank holding companies, financial holding companies, and thrift holding companies (other than unitary thrift holding companies) issued between October 14, 2008, and June 30, 2009, with guarantees expiring not later than June 30, 2012; and (2) a 100 percent guarantee of noninterest-bearing transaction accounts held by insured depository institutions until December 31, 2009. The TLG Program provides for a system of assessments to be paid by participating entities for these guarantees. The TLG Program is designed to strengthen confidence and encourage liquidity in the banking system in order to ease lending to creditworthy businesses and consumers.

Under the final rule, the Debt Guarantee Program will guarantee certain newly-issued senior unsecured debt issued by eligible entities on or after October 14, 2008, through and including June 30, 2009 (except that for entities that opt out of this component of the TLG Program, the guarantee of their debt will end no later than December 5, 2008). Although the eligible debt must be issued on or before June 30, 2009, the FDIC generally will provide guarantee coverage for debts maturing after that date for up to three years beyond that date, or until June 30, 2012. The FDIC generally will guarantee new senior unsecured debt in an amount up to 125 percent of the par or face value of senior unsecured debt outstanding as of September 30, 2008, that is scheduled to mature on or before June 30, 2009. In the event an eligible insured depository institution had no senior unsecured debt outstanding or only had federal funds purchased outstanding on September 30, 2008, its debt guarantee limit generally is two percent of its consolidated total liabilities as of September 30, 2008.

Under the final rule, the Transaction Account Guarantee Program will provide temporary unlimited deposit insurance coverage of funds in certain noninterest-bearing transaction accounts at FDIC-insured institutions. The FDIC anticipates that these accounts will include payment-processing accounts, such as payroll accounts, frequently used by depository institution business customers. This coverage became effective on October 14, 2008, and will continue through December 31, 2009, unless an insured institution elects to opt out of this component of the TLG Program by December 5, 2008.

To facilitate the FDIC's administration of the TLG Program, the FDIC Board, on October 23, 2008, approved an interim rule[1] that contains several collections of information, including the revisions to the currently approved collections of information that are the subject of this submission and for which the agencies are requesting emergency approval from OMB. These collections of information are also contained in the final rule that the FDIC Board approved on November 21, 2008. For the other collections of information contained in the interim rule, the FDIC requested, and OMB granted, emergency approval under OMB No. 3064-0166. This request for emergency clearance will be followed up with a request for approval under OMB's normal clearance procedures.

2. Use of Information Collected

Under the FDIC's final rule, each insured depository institution participating in the Transaction Account Guarantee Program is required to pay quarterly an annualized 10 basis point assessment on any deposit amounts exceeding the existing deposit insurance limit of $250,000 in any noninterest-bearing transaction accounts (as defined in the final rule), as reported in its quarterly regulatory reports (Call Report, TFR, or FFIEC 002). Noninterest-bearing transaction accounts include amounts swept from such an account into a noninterest-bearing savings deposit account. They also include accounts commonly known as Interest on Lawyers Trust Accounts and negotiable order of withdrawal (NOW) accounts with interest rates no higher than 0.50 percent for which the insured depository institution at which the account is held has committed to maintain the interest rate at or below 0.50 percent. For participating institutions, these

[1] 73 FR 64179, October 29, 2008. The FDIC amended the interim rule effective November 4, 2008. 73 FR 66160, November 7, 2008.

assessments begin November 13, 2008. The initial quarterly assessment would be determined from the deposit amounts reported in the quarterly regulatory reports beginning with the December 31, 2008, report date. Thus, two items would be added to the quarterly regulatory reports in which participating institutions would report the amount and number of noninterest-bearing transaction accounts, as defined, over $250,000.

A participating institution would have the option to exclude amounts in custodial or escrow noninterest-bearing transaction accounts over $250,000 that are fully insured because of "pass-through" insurance coverage as well as amounts in noninterest-bearing transaction accounts over $250,000 that are otherwise fully insured under joint account relationships or other existing provisions of the FDIC's deposit insurance rules to the extent that these amounts can be determined by the institution and are fully supported in the institution's regulatory reporting workpapers. A participating institution would not be required to make a determination of amounts over $250,000 that are otherwise fully insured but may do so at its option.

3. Use of Technology to Reduce Burden

All banks and savings associations are subject to an electronic filing requirement for Call Reports and TFRs. Insured U.S. branches of foreign banks are permitted to submit the FFIEC 002 electronically. Institutions may use information technology to the extent feasible to maintain required records.

4. Efforts to Identify Duplication

The information to be collected on noninterest-bearing transaction accounts is not duplicated elsewhere. In the absence of the Transaction Account Guarantee Program, there is no reason for participating institutions to maintain or provide the requested information.

5. Minimizing the Burden on Small Entities

The information that is the subject of this request for emergency clearance is the minimum necessary to administer the Transaction Account Guarantee Program. Small entities can choose to opt out of the Transaction Account Guarantee Program, which will eliminate reporting burden associated with this program.

6. Consequences of Less Frequent Collection

Submission of data on noninterest-bearing transaction accounts by insured depository institutions participating in the Transaction Account Guarantee Program less frequently than quarterly would reduce the FDIC's ability to timely monitor its exposure under this program and calculate and collect the quarterly assessments for the guaranteed deposits.

7. Special Circumstances

There are no special circumstances.

8. Consultation with Persons Outside the FDIC

Prior to the issuance of the interim rule, the FDIC consulted with U.S. Treasury Department, the Board, the OCC, and the OTS. The FDIC requested public comment on the interim rule for an abbreviated 15-day period ending on November 13, 2008. The FDIC received over 700 comment letters on the interim rule and, after consideration of these comments, the FDIC Board approved the final rule on November 21, 2008. However, the FDIC will follow this request for emergency processing with a request under normal clearance procedures, during which comments will be solicited for the typical 60-day and 30-day periods. All comments received on paperwork burden, whether during the 60-day or 30-day comment periods, will be considered in finalizing the collection.

9. Payment or Gift to Respondents

No gifts will be given to respondents.

10. Confidentiality

Information on the amount and number of noninterest-bearing transaction accounts over $250,000 collected in Call Reports, TFRs, and FFIEC 002 reports would be publicly available.

11. Information of a Sensitive Nature

No information of a sensitive nature is requested.

12. Estimate of Annual Burden

The following estimates are preliminary and, where indicated, are based on certain assumptions. To the extent that the assumptions change on the basis of public comment during normal clearance procedures or do not hold true once the TLG Program becomes operational, the agencies will submit adjustments to OMB to ensure burden accuracy.

With respect to the reporting of data on the amount and number of noninterest-bearing transaction accounts over $250,000 under the Transaction Account Guarantee Program, assume that 95 percent of the approximately 8,400 FDIC-insured depository institutions will participate in the program. The estimated number of respondents for FDIC-supervised institutions for this new transaction account information is 4891 and the estimated hours per response is 0.5 hours, with four responses per year (pending approval under both the emergency and normal clearance processes).

The effect of these changes on the estimated annual reporting burden associated with the agency's currently approved collection of information is estimated as follows:

Call Report:

Existing annual reporting burden:	751,983

Increase in burden from changes (program change):	9,782
Adjustment (change in use):	(9,912)
Revised estimate after changes and adjustment:	751,853

(5,130 respondents x 36.64 average hours per response x 4 responses per year)]

13. Capital, Start-up, and Operating Costs

Insured depository institutions that will participate in the Transaction Account Guarantee Program maintain extensive internal recordkeeping systems concerning noninterest-bearing transaction accounts which generate data for these entities' managements' use in internal management reporting, risk management, and analysis and in external financial and regulatory reporting and disclosure. Participating institutions may need to modify certain elements of these internal recordkeeping systems to enable them to provide the information to be used by the FDIC concerning the amount and number of noninterest-bearing transaction accounts over $250,000. Although the reporting changes to support the Transaction Account Guarantee Program will result in start-up and operating costs, an estimate of such costs cannot be readily determined.

14. Estimates of Annualized Cost to the Federal Government

The cost to the agencies of the reporting changes that are the subject of this submission includes the cost of:

- developing reporting requirements, instructions, and data validation edits;
- computer processing (including developing, maintaining, and modifying software programs) associated with the agencies' systems for collecting and validating Call Reports, TFRs, and FFIEC 002 reports and the FDIC's systems for calculating and collecting assessments; and
- the agencies' personnel involved in the preceding tasks and in the review and validation of reported and calculated data.

The incremental costs associated with the implementation of the revisions to the currently approved collections of information that are the subject of this submission are encompassed within the agencies' personnel and data processing budgets and are not separately identifiable.

15. Reason for Change in Burden

The reason for the change in the burden imposed by the currently approved collections of information that are the subject of this submission is the FDIC's implementation of the Transaction Account Guarantee Program component of the TLG Program. The net decrease in burden of 130 hours is the result of a burden increase of 9,782 hours and a burden adjustment of -9, 912 hours due to a decrease of 69 in the number of FDIC-supervised institutions.

16. Publication

The agencies will make the data on the amount and number of noninterest-bearing transaction accounts over $250,000 reported by participating insured depository institutions publicly available as part of the data collected in the Call Report, the TFR, and the FFIEC 002 that is currently made available to the public.

17. Exceptions to Expiration Date Display

None.

18. Exceptions to Certification

None.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.