Supporting Statement for
OMB Control Number 1557-0081
(MA)-Reports of Condition and Income (Interagency Call Report)

A. Justification

1. Circumstances that make the collection necessary:

Reports of Condition and Income (Call Reports) are required under 12 U.S.C. 161. The OCC needs this information to ensure individual bank and banking system safety and soundness.

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 made a determination of systemic risk, which 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 Temporary Liquidity Guarantee (TLG) Program.

The TLG Program is comprised of (1) a Debt Guarantee Program under which, in general, the FDIC will guarantee certain newly-issued senior unsecured debt issued by participating entities on or after October 14, 2008, through and including June 30, 2009, up to a specified limit; and (2) a Transaction Account Guarantee Program (TAGP) under which the FDIC will provide a 100 percent guarantee of certain noninterest-bearing transaction accounts held by participating insured depository institutions through December 31, 2009.

In order to calculate the fees to be assessed under the TAGP, the FDIC needs to collect information from participating institutions on the amount and number of noninterest-bearing transaction accounts of more than $250,000. The best method for obtaining this information is through the Call Report, the TFR, and the FFIEC 002. On November 26, 2008, the agencies obtained emergency clearance from OMB to begin collecting the two data items in these reports as of December 31, 2008. OMB's approval expires on May 31, 2009.

On December 23, 2008, the agencies requested comment under OMB's normal clearance procedures on the proposed collection of these two items from institutions participating in the TAGP each quarter until the program ends. They received one comment letter on the proposed new items pertaining to the TAGP. This commenter, a bankers' organization, supported the addition of these new items. The agencies will continue to collect these items, for which they received emergency approval from OMB, until the TAGP ends.

On September 23 and October 1, 2008, the agencies requested comment for 60 days on proposed revisions to the Call Report and TFR for implementation on a phased-in basis during 2009. Commenters recommended the collection of additional deposit data related to deposit insurance assessments even though the agencies had not proposed to collect the additional data items. One bankers' organization recommended that the Call Report and the TFR be revised to require "reciprocal deposits" to be reported separately from brokered deposits. The organization also commented on the reporting of certain sweep accounts from other institutions, including affiliated institutions, in the Call Report and the TFR. The comments stemmed from an NPRM on which the FDIC was simultaneously requesting comment on its deposit insurance assessment regulations. The NPRM would alter the way in which risk is differentiated in the risk-based assessment system and revise deposit insurance assessment rates, including base assessment rates. In its comment letters to the agencies on the proposed Call Report and TFR revisions, the bankers' organization observed that the reports may need to be revised depending on the FDIC's treatment of these accounts for deposit insurance assessment purposes.

The FFIEC and the agencies have monitored the outcome of the FDIC's rulemaking for assessments and the need for new data items for reciprocal deposits and certain sweep accounts to support any modifications that the FDIC makes in its risk-based assessment system in a final rule. On February 27, 2009, the FDIC adopted a final rule that revised its assessment regulations effective April 1, 2009. For institutions in Risk Category I of the risk-based assessment system, the rule introduces a new ratio into the financial ratios method, which is used to determine the assessment rates for most institutions in Risk Category I using weighted Uniform Financial Institutions Rating System component ratings and certain financial ratios. The new ratio will capture brokered deposits (in excess of 10 percent of domestic deposits) used to fund rapid asset growth, but will exclude brokered deposits received through a deposit placement network on a reciprocal basis.

To enable the FDIC to adjust institutions' brokered deposits already reported in the Call Report and the TFR for any reciprocal deposits included therein, an item will be added in which data are reported for assessment purposes. The definition of reciprocal deposits in the FDIC's final rule would be used for this new item beginning June 30, 2009. The addition of this reciprocal deposits item responds to the comments received from the bankers' organization when the agencies requested comments on proposed revisions to the Call Report and the TFR for implementation in 2009.

In its final rule on assessments, the FDIC decided not to adjust brokered deposits for balances swept into an insured institution by a nondepository institution. Therefore, the FFIEC and the agencies are not revising the Call Report and the TFR to collect data on such sweep accounts.

2. <u>Use of the information:</u>

Data from Call Reports are shared among the agencies and placed in each agency's computerized databases for supervisory and industry monitoring purposes. Also, Call Report data are used by the FDIC in preparing the comprehensive interagency Uniform Bank Performance Reports (UBPRs). UBPRs are produced quarterly for each insured commercial bank.

The banking agencies use the information, as an aid, to determine the safety and soundness of individual financial institutions and to identify trends in the banking system. The data are input into a data base and analyzed both by the computer and by examiners. The data are used for peer analysis of banks, that is to determine strengths and weaknesses in a particular institution as compared to similar institutions. The data also are used in scheduling bank examinations and in determining areas of focus for the examiners during their on-site visits.

The Call Report is the major source of financial information on individual banks and the industry and assists the OCC in discharging its responsibility to maintain a safe and sound banking system. In addition, Call Reports provide the most current statistical data available for evaluating bank applications for actions such as mergers and the establishment of branches, for numerous economic studies and analyses in regards to banking reports submitted to Congress, and for public data use.

Call Report data are also used by bank management to evaluate their institutions, by bank analysts and investors, and by the public in determining the desirability of investing or making deposits in a particular bank.

3. Consideration of the use of improved information technology:

All banks are required to submit their Call Reports electronically through the banking agencies "Central Data Repository," using the Internet. Currently, a bank must file its Call Report in one of two ways:

- A bank may use computer software to prepare and edit its report data and then electronically submit the data directly to the CDR (http://cdr.ffiec.gov/cdr/)
- A bank may complete its report in paper form and arrange with a software vendor or another party to convert its paper report into the electronic format that can be processed by the CDR. The software vendor or other party then must electronically submit the bank's Call Report data file to the CDR.

Regardless of the method a bank uses to file its Call Report, the bank remains responsible for the accuracy of its Call Report data. The information collections under this process facilitate more accurate bank Call Report data submission.

Since June 1998, quarterly Call Report submissions have been made available to the public on the Internet. Call Report formats and instructions have been made available to the banks and others on the Internet.

The banking agencies implemented a new Central Data Repository for the collection and processing of bank Call Reports effective with the September 30, 2005 Call Report period. One of the principle features of the new business model is the use of Extensible Business Reporting Language (XBRL). XBRL is a new XML-based specification that uses accepted financial reporting standards and practices to exchange financial statements across all software and technologies, including the Internet.

4. Efforts to identify duplication:

This information is unique because no other report or a series of reports provides all the Call Report data from all the national banks in a consistent and timely manner.

5. Methods used to minimize burden if the collection has a significant impact on substantial number of small entities:

Only the minimum information needed to evaluate the condition of a bank, regardless of size, is required.

6. Consequences to the Federal program if the collection were conducted less frequently:

Under 12 U.S.C. 161, quarterly reporting is required in some instances. Further, the Federal financial regulatory agencies must have condition and income data at least quarterly to properly monitor individual bank and industry trends. Less frequent collection of this information would impair the agencies' monitoring and could seriously delay regulatory response.

7. Special circumstances necessitating collection inconsistent with 5 CFR Part 1320:

This collection is conducted in accordance with the guidelines in 5 CFR Part 1320.

8. Efforts to consult with persons outside the agency:

On December 23, 2008, the OCC, FDIC, FRB, and the OTS published a joint notice soliciting comments for 60 days on proposed revisions to the Call Report (73 FR 78794). The agencies received one comment letter on the proposed new items pertaining to the TAGP. This commenter, a bankers' organization, supported the addition of these new items to the Call Report, the TFR, and the FFIEC 002. The agencies will continue to collect these items, for which they received emergency approval from OMB, until the TAGP ends.

9. Payment to respondents:

None.

10. Any assurance of confidentiality:

The data collected from individual banks in the Call Report are publicly available with the exception of certain sensitive information. The agencies currently give confidential treatment to data collected in Schedule RC-T, "Fiduciary and Related Services," on fiduciary and related services income (items 12 through 23) and fiduciary settlements, surcharges, and losses (Memorandum item 4). Contact information on bank personnel that is provided in each bank's

Call Report submission is also provided confidential treatment. All non-confidential Call Report data on individual banks is available on request from the Federal Financial Institutions Examinations Council (FFIEC) and on the FFIEC Internet Web-site.

11. Justification for questions of a sensitive nature:

None.

12. Burden estimate:

The OCC estimates that 1,620 national banks will file Call Reports each quarter and that the burden will average 187 burden hours per year. An individual bank's actual burden may be higher or lower, depending on the complexity of the bank's structure and the degree of accounting system automation.

The OCC estimates total burden as follows:

1,620 respondents @ 4 responses = 6,480 annual responses
6,480 responses @ 46.83 hours per response = 303,454 burden hours

13. Estimate of annualized costs to respondents:

Not applicable.

14. Estimate of annualized costs to the government:

Not applicable.

15. Changes in burden:

Former burden:	1,620 respondents @ 4 responses = 6,480 annual responses 6,480 responses @ 46.76 hours per response = 303,027 burden hours
New burden:	1,620 respondents @ 4 responses = 6,480 annual responses 6,480 responses @ 46.83 hours per response = 303,454 burden hours
Change:	+ .07 hours per response; + 427 burden hours

The OCC estimates the cost of the hour burden to respondents as follows:

Clerical:	20% x 303,454 =	60,690.80 @ $20	=	$ 1,213,816.00
Managerial/technical:	65% x 303,454 =	197,245.10 @ $40	=	$ 7,889,804.00
Senior mgmt/professional:	14% x 303,454 =	42,483.56 @ $80	=	$ 3,398,684.80
Legal:	01% x 303,454 =	3,034.54 @ $100	=	$ 303,454.00
Total:				$12,805,758.80

16. <u>Information regarding collections whose results are planned to be published for statistical use:</u>

Not applicable.

17. <u>Approval to not display OMB expiration date.</u>

Not applicable.

18. <u>Exceptions to certification statement.</u>

None.

B. <u>Collections of Information Employing Statistical Methods.</u>

Not applicable.