

SUPPORTING STATEMENT
ASSET PURCHASER ELIGIBILITY
OMB No. 3064-0135

INTRODUCTION

The FDIC requests OMB approval to continue using the currently approved collection of information captioned above. The Purchaser Eligibility Certification (PEC) implements the statutory requirement that assets held by the FDIC in the course of liquidating any federally insured institution not be sold to persons who contributed to the demise of an insured institution in specified ways.

A. JUSTIFICATION

1. Circumstances and Need

The FDIC acquires assets as the result of being appointed conservator or receiver of failing financial institutions and generally sells these assets through competitive sales. The FDIC is statutorily required to promulgate a regulation prohibiting the sale of assets held by insured depository institutions that have been placed under the conservatorship or receivership of the FDIC to certain individuals or entities that profited or engaged in wrongdoing at the expense of those failed institutions, or seriously mismanaged those failed institutions. The statute specifies classes of persons prohibited from purchasing assets of failed institutions from the FDIC. (FDI Act Section 11(p), 12 U.S.C. 1821(p)). The statutory requirement is implemented by a regulation, “Restrictions on the Purchase of Assets from the FDIC,” (published at 65 Federal Register 14816, March 20, 2000) and a Purchaser Eligibility Certification that the FDIC uses to determine a person’s eligibility to purchase assets.

2. Use of Information Collected

The FDIC’s Division of Resolutions and Receiverships uses the PEC to ensure compliance with the statutory requirements before each sale of assets.

3. Use of Technology to Reduce Burden

Conversion of this form to electronic submission is not practical because the supporting documentation is not electronic.

4. Efforts to Identify Duplication

There is no duplication. The information is not available elsewhere.

5. Minimizing the Burden on Small Banks

The rule will not have a significant economic impact on a substantial number of small entities. Most of the questions asked on the PEC are required by statute.

6. Consequences of Less Frequent Collection

As a result of the statute's prohibition, each purchase of assets from the FDIC requires an acceptable PEC as a prerequisite.

7. Special Circumstances

Generally, none of the special circumstances exist. However, the nature of the sales process may not always allow for 30 days for a potential purchaser to respond to the certification requirement. It is noted, however, that the average time for response is approximately 30 minutes.

8. Consultation with Persons Outside the FDIC

A "first" Federal Register notice (attached) seeking comment was published on February 10, 2009 (74 FR 6626). No comments were received.

9. Payment or Gift to Respondents

Not applicable.

10. Confidentiality

No assurance of confidentiality is made.

11. Information of a Sensitive Nature

The collection requires no information of a sensitive nature.

12. Estimate of Hour Burden and Annual Costs

Number of respondents: 2,500

Time per response: 30 minutes

Total annual burden: 1,250 hours

Estimate of annualized cost: 2,500 responses x ½ hour x \$40/hour = \$50,000

13. Capital, Start-Up and Maintenance Costs

Not applicable.

14. Estimated Annual Cost to the Federal Government

Estimated 2,500 responses x ¼ hour to review response x \$30 / hour = \$18,750

15. Reason for Change in Burden

Not applicable.

16. Publication.

Not applicable.

17. Display of Expiration Dates

Not applicable.

18. Exceptions to Certification

None.

B. Statistical Methods

Not applicable.

Attachments

1. Legal Authority (12 USC 1821(p))
2. Regulatory Authority (12 CFR 340)
3. “First” Federal Register notice; “second” Federal Register notice
4. Purchaser Eligibility Certification