

SUPPORTING STATEMENT

Application for Conversion From: (a) OTS-Regulated, State-Chartered Savings Association to Federal Savings Association; (b) National Bank, Commercial Bank, State Savings Bank, or Credit Union to Federal Savings Association; c) State Mutual Holding Company to a Federal Mutual Holding Company
OMB Control No. 1550-0007

A. JUSTIFICATION

1. Circumstances and Need

Section 5 of the Home Owners' Loan Act authorizes the Office of Thrift Supervision (OTS) to act on applications submitted by depository institutions requesting permission to convert to a Federal savings association charter. 12 C.F.R. §§ 543.8, 543.9 and 552.2-6 codify the eligibility requirements and establish processing procedures for applications involving the conversion of a depository institution to a Federally chartered association of the same organizational type (i.e., mutual or stock form of ownership).

The application form for conversion requires the applicant to submit: (1) its plan of conversion; (2) a copy of its current charter and bylaws; (3) a copy of the proposed charter and bylaws; and, (4) certification of counsel that the charter conforms to OTS's requirements. Converting depository institutions must also submit: (1) a list of all activities and investments currently allowed for the institution or mutual holding company under state law or by its current primary regulator but not permitted for Federal associations or mutual holding companies, with an indication of whether the applicant wishes OTS approval to continue to engage in such activities or investments as a Federal association, pursuant to OTS's grandfathering authority; (2) the appropriate statutory cite under state law that authorized such activities or investments; and, (3) copies of applicable state law provisions.

Third Party Requirements

OTS regulations require depository institutions to publish a public notice of the application for conversion in accordance with the procedures specified in 12 C.F.R. 516.

2. Use of Information Collected

The application is reviewed to determine whether it meets applicable eligibility requirements for conversion and complies with applicable OTS policies. Applications are also reviewed to determine whether special conditions are needed to establish the institution's authority to continue activities or investments permitted under state law but not authorized for a Federal association or mutual holding company.

3. Use of Technology to Reduce Burden

This information collection is not amenable to reduction through improved technology. Since automated information systems may be used in a very limited capacity to obtain or process the information required by the proposed information collection, and because these systems vary from institution to institution, the use of improved technology to reduce the burden is not applicable.

4. Efforts to Identify Duplication

This information collection is not duplicative within the meaning of the PRA and OMB regulations. Information that is similar to or that corresponds to information that could serve OTS's purpose and need in this information collection is not being collected by any other means or for any other purpose; nor is this information otherwise available in the detail necessary to satisfy the purpose and need for which this collection of information is undertaken. Each transaction is unique, thus the association submits documentation peculiar to each such transaction.

5. Minimizing the Burden on Small Firms

The information collection does not differentiate information requirements on the basis of an institution's size.

6. Consequences of Less Frequent Collection

OTS would not be able to properly evaluate whether the requested conversion meets applicable statutory and regulatory requirements if the information required by the application were not collected.

7. Special Circumstances

This information collection is conducted in a manner consistent with the guidelines set out in 5 C.F.R. § 1320. There are no specific recordkeeping requirements imposed by this information collection.

8. Consultation with Persons Outside the OTS

Notice of intent to renew this information collection was published in the *Federal Register* on 01/04/2010 (75 FR 181).

9. Payment of Respondents

OTS provides no payment or gift to respondents.

10. Confidentiality

12 C.F.R. Part 505 provides that certain application information will not be available to the public. Information exempt from public disclosure under this regulation includes: (1) information exempt from public disclosure by statute or executive order; (2) information contained or related to examination, operating, or condition reports prepared by OTS; and, (3) privileged information or information related to the business, personal, or financial affairs of any person and furnished in confidence.

11. Information of a Sensitive Nature

No questions of a sensitive nature are included in this collection of information.

12. Estimate of Annual Hour Burden

The total annual hour burden to the respondents is estimated at four (4) per submission with 6 submissions, totaling 24 hours.

$$\begin{array}{r} 4 \text{ Hours per respondent} \\ \times \underline{6 \text{ Submissions}} \\ \hline 24 \text{ Total annual hour burden estimate} \end{array}$$

13. Estimate of Annual Cost

The annual cost estimate for filing applications:

- a) Conversion of OTS-regulated, state-chartered savings associations to Federal savings associations:

$$\begin{array}{r} \text{Filing Fee} \\ \$ 100 \end{array} \times \begin{array}{r} \text{Respondent} \\ 3 \end{array} = \begin{array}{r} \text{Total} \\ \$ 300 \end{array}$$

- b) Conversion of national banks, commercial banks, state savings banks, or credit unions to Federal savings associations:

$$\begin{array}{rclcl} \$5,000 & \times & 3 & & \$ \underline{15,000} \\ \text{Total} & = & & & \$ 15,300 \end{array}$$

In addition:

$$\begin{array}{rclcl} \text{Total Annual Hour Estimate} & - & 24 & & \\ \text{Per Hour} & \times & \underline{50} & & \$ \underline{1,200} \\ \text{Total Annual Hour Cost Estimate} & & & & \$ 16,500 \end{array}$$

14. Estimates of Annualized Cost to Government

It is estimated that the total annualized cost to the government will be minimal because: (1) this information is already being collected and evaluated; (2) there will not be any type of developmental or computer costs; and (3) no new employees will be hired to evaluate the information.

15. Reason for Change in Burden

The OTS is citing a reduction (adjustment) in the inventory burden due to a reduction in the number of respondents.

16. Publication

Not applicable.

17. Expiration Date

OTS is displaying the expiration date on the form.

18. Exceptions

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

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.