

**Supporting Statement for
Consumer Protections for Depository
Institution Sales of Insurance
12 CFR Part 14
OMB Control No. 1557-0220**

A. Justification.

1. Circumstances that make collection necessary:

These information collections are required under section 305 of the Gramm-Leach-Bliley Act (GLB Act), Public Law No. 106-102. Section 305 of the GLB Act requires the Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, and Office of Thrift Supervision (collectively, the Agencies) to prescribe joint consumer protection regulations that apply to retail sales practices, solicitations, advertising, and offers of any insurance product by a depository institution or by other persons performing these activities at an office of the institution or on behalf of the institution (other covered persons). Section 305 requires those performing such activities to disclose certain information to consumers (e.g., that insurance products and annuities are not FDIC-insured).

This information collection requires national banks and other covered persons involved in insurance sales to make two separate disclosures to consumers. Under 12 CFR 14.40, a respondent must prepare and provide orally and in writing: (1) certain insurance disclosures to consumers before the completion of the initial sale of an insurance product or annuity to a consumer and (2) certain credit disclosures at the time of application for the extension of credit (if insurance products or annuities are sold, solicited, advertised, or offered in connection with an extension of credit).

2. Use of the information:

Consumers use the disclosures to understand the risks of insurance products and annuities and to understand that they are not required to purchase or refrain from purchasing certain insurance products or annuities in order to qualify for an extension of credit.

3. Consideration of the use of improved information technology:

National banks and other covered persons may use any technology that is reasonable and appropriate for its circumstances so long as the method is consistent with 12 CFR part 14 and facilitates consumer receipt and response.

4. Efforts to identify duplication:

These disclosures are unique and cover the bank's or other covered person's particular circumstances. No duplication with other regulatory requirements exists.

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

The information collections are required by statute and do not have a significant impact on a substantial number of small entities.

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

The frequency of disclosure is required by the GLB Act.

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

Not applicable. The collection is conducted in accordance with the guidelines in 5 CFR 1320.

8. Efforts to consult with persons outside the agency:

The information collections were put out for 60 days of comment. 75 FR 10021 (March 4, 2010). No comments were received.

9. Payment to respondents:

Not applicable. There is no payment to respondents.

10. Any assurance of confidentiality:

Not applicable. No assurance of confidentiality is made.

11. Justification for questions of a sensitive nature:

Not applicable. No questions of a sensitive nature are involved.

12. Burden estimate:

This information collection involves two elements.

First, printed disclosure materials must conform to the requirements of the regulation. The OCC estimates the burden associated with an institution reviewing and updating its materials as follows:

717 respondents @ 1 response	=	717 responses
717 responses @ 1 burden hours	=	717 burden hours

Second, national banks and other covered persons must make certain disclosures to consumers. The OCC is using a figure of 240 disclosures on average, annually, and one minute per disclosure. This totals four hours per institution. The OCC is using this figure of four hours per institution only as a marker to show that it has considered the requirements imposed by the statute and the regulations and has included them in this request for OMB approval. The market is so diverse and institutions vary so much in activity level that only a large survey would result in accurate estimates of transactions. The OCC believes that since the disclosures are needed and required by statute, and since its flexibility to modify the disclosures is limited by the statute, any survey of disclosure activity is unwarranted and would unnecessarily burden national banks.

717 respondents @ 1 response	=	717 responses
717 responses @ 4 burden hours	=	2,868 burden hours

TOTAL BURDEN:

717 respondents @ 1 response	=	717 responses
717 responses @ 5 burden hours	=	3,585 burden hours

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

Clerical:	20% x 3,585	= 717 @ \$20	=	\$ 14,340
Senior management:	30% x 3,585	= 1,075.5 @ \$80	=	\$ 86,040
Legal:	50% x 3,585	= 1,792.5 @ \$100	=	<u>\$179,250</u>
				\$279,630

13. Estimate of annualized cost to respondents (capital start-up and operation/maintenance):

Banks and other covered persons use readily available equipment to comply with these information collections.

14. Estimate of annualized costs to the government:

None.

15. Change in burden:

FORMER BURDEN:

1,563 respondents @ 1 response	=	1,563 responses
1,563 responses @ 5 burden hours	=	7,815 burden hours

NEW BURDEN:

717 respondents @ 1 response	=	717 responses
717 responses @ 5 burden hours	=	3,585 burden hours

DIFFERENCE:

- 846 respondents; - 4,230 burden hours

The difference in burden is due to the availability of more accurate data regarding the number of banks making disclosures pursuant to part 14.

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

The OCC has no plans to publish the information for statistical use.

17. Display of expiration date:

None.

18. Exceptions to certification statement:

None.

B. Collections of information employing statistical methods:

Not applicable.