

Supporting Statement
Community and Economic Development Entities, Community Development Projects, and
Other Public Welfare Investments – 12 CFR 24
OMB Control No. 1557-0194

A. Justification.

1. Circumstances that make the collection necessary:

Federal law at 12 U.S.C. 24 (Eleventh) authorizes national banks to make investments each of which promotes the public welfare by benefiting primarily low- and moderate-income communities or families (such as by providing housing, services, or jobs). The statute requires the OCC to limit a national bank's aggregate investment in these projects up to 15 percent of the bank's unimpaired capital and surplus.

This information collection is needed to ensure national bank compliance with the revised statute regarding the amount and nature of these investments. Further, the information collection is needed to ensure bank safety and soundness, to identify risks to the Federal deposit insurance system, and to generally manage the OCC's process for permitting national banks' investments in community development entities, community development projects, and other public welfare investments.

2. Use of the information:

The OCC will use the information to determine whether the investment meets the statutory and regulatory requirements, is consistent with safe and sound business practices, such as by not exposing the bank to unlimited liability, and does not pose significant risk to the Federal Deposit Insurance Fund.

3. Consideration of the use of improved information technology:

Form CD-1 – National Bank Community Development (Part 24) Investments provides national banks with guidance on the information needed by the OCC. A Word version of the form is available on the OCC Web site at (www.occ.treas.gov/cdd/pt24toppage.htm) for downloading.

Electronic Submission of Part 24 Filings

A national bank may electronically submit its part 24 filing by using the CD-1 form in the E-Corp tool on the OCC's National BankNet (www.banknet.gov), a secure limited-access Web site for banks regulated by the OCC. E-Corp is one of the tools located on National BankNet, which provides an electronic process for banks to complete and submit a variety of corporate applications and notices to the OCC, including the CD-1 form. The CD-1 form also may be e-mailed to CommunityAffairs@OCC.treas.gov and faxed to (202) 874-4652.

4. Efforts to identify duplication:

The required information is not duplicative and is unique to each public welfare investment and bank.

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

Not applicable. The collection does not have a significant impact on a substantial number of small entities. This information collection imposes only the minimum burden necessary to ensure compliance with Federal law, accomplish program goals, ensure national bank safety and soundness, and minimize risk to the Federal deposit insurance fund.

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

The information collection is the minimum necessary to ensure bank compliance with the law, safety and soundness requirements, and to generally manage the OCC's process for permitting national bank public welfare investments. These submissions are prepared only when a bank intends to make an investment in a community development entity or community development project or other public welfare activity.

7. Special circumstances that would cause an information collection to be conducted in a manner inconsistent with 5 CFR Part 1320:

The information collection is conducted in accordance with the requirements of 5 CFR Part 1320.

8. Efforts to consult with persons outside the agency:

The OCC issued a 60-day *Federal Register* notice on March 17, 2010. 75 FR 12813. No comments were received.

9. Payment or gift to respondents:

None.

10. Any assurance of confidentiality:

None.

11. Justification for questions of a sensitive nature:

There are no questions of a sensitive nature.

12. Burden estimate:

Cite and Burden Type	Information Collection Requirements in Part 24	No. of Respondents	Avg. hours per Response	Estimated Burden Hours
§24.4(a) Reporting	<u>Written request to exceed 5% investment limit</u> – A national bank may submit a written request or letter to the OCC to exceed the 5 percent limit for aggregate outstanding investments. The bank is not required to tie the request to a specific investment proposal.	10	.5	5
§24.5(a)(2), (a)(4) Reporting	<u>After-the-fact notice of public welfare investments</u> – An eligible bank may make an investment without prior notification to, or approval by, the OCC if the bank submits an after-the-fact notification of an investment within 10 days after it makes the investment. The after-the-fact notice must include: <ul style="list-style-type: none"> • A description of the bank’s investment • The amount of the investment • The percentage of the bank’s capital and surplus represented by the bank’s aggregate outstanding public welfare investments, including the investment that is the subject of the notice • A statement certifying compliance with the requirements of §§ 24.3 and 24.4 • This requirement may be satisfied by completing Form CD-1 	540	1.5	810
§24.5(a)(5) Reporting	<u>Letter from 3-rated banks requesting to self-certify</u> – A national bank that is not an eligible bank but that is at least adequately capitalized, and has a composite rating of at least 3 with improving trends under the Uniform Financial Institutions Rating System, may submit a letter to the OCC requesting authority to submit after-the-fact notices of its investments.	25	.5 hour	12.5
§24.5(b) Reporting	<u>Investments requiring prior approval</u> – If a national bank does not meet the requirements for after-the-fact notification, the bank must submit an investment proposal to the OCC. The investment proposal must include: <ul style="list-style-type: none"> • A description of the bank’s investment • The amount of the investment • The percentage of the bank’s capital and surplus represented by the bank’s aggregate outstanding public welfare investments, including the proposed investment • A statement certifying compliance with the requirements of §§ 24.3 and 24.4. • This requirement may be satisfied by completing Form CD-1 	25	2	50
TOTAL		600 respondents		877.5 hours

Cost of hour burden to respondents is estimated to be:

Clerical (\$20) – 30% x 877.5 hours = 263.25 hours @ \$20 = \$5,265

Managerial/Technical (\$40) – 50% x 877.5 hours = 438.75 hours @ \$40 = \$17,550

Senior Management/Professional (\$80) – 15% x 877.5 hours = 131.625 hours @ \$80 = \$10,530

Legal (\$100) – 5% x 877.5 hours = 43.875 hours @ \$100 = \$4,387.5

Total cost of hour burden to respondents: \$ 37,732.5

13. Estimate of total annual costs to respondents (excluding cost of hour burden in Item #12):

None.

14. Estimate of annualized costs to the Federal government:

None.

15. Change in burden:

Former burden: 400 respondents; 400 responses; 590 burden hours

New burden: 600 respondents; 600 responses; 877.5 burden hours

Difference: + 200 respondents; + 200 responses; + 287.5 burden hours

The change in burden hours is due to the use of more accurate estimates based on an increase in the number of investments and national bank respondents and the experience obtained since our last submission.

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

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

17. Reasons for not displaying OMB approval expiration date:

Not applicable. This submission involves a regulation.

18. Exceptions to the certification statement in Item 19 of OMB Form 83-I:

None.

B. Collections of Information Employing Statistical Methods.

Not applicable.