

**SUPPORTING STATEMENT  
PURCHASE OF BRANCH OFFICE(S) AND/OR  
TRANSFER OF ASSETS/LIABILITIES  
OMB Control No. 1550-0025**

**A. JUSTIFICATION**

**1. Circumstances and Need**

Office of Thrift Supervision (OTS) regulations, 12 C.F.R. 552.13 and 563.22, and Title V of the Federal Deposit Insurance Corporation Improvement Act (FDICIA) of 1991 provide for certain conversion transactions, to permit mergers, consolidations, and transfer of assets and assumptions of liability transactions involving Deposit Insurance Fund (DIF) insured institutions, provided that certain conditions are met.

Specific transactions include: (1) charter conversions involving the direct conversion of a savings associations to state or national bank charter; (2) combinations between a savings association and a bank in which a savings association is not a resulting institution; (3) purchases of assets by a savings association that do not require OTS approval under the Bank Merger Act (BMA); (4) bulk sales of less than all or substantially all of the assets of a savings association; (5) bulk assumptions or transfers of non-deposit liabilities by a savings association; (6) transactions in which a savings association transfers less than all or substantially all of its deposit liabilities to another depository institution; and (7) combinations involving savings associations and depository institutions other than insured depository institutions.

Pursuant to 12 C.F.R. 563.22(h)(1), savings associations that propose to either combine with a bank in a transaction where the savings association would not survive, or to convert to a state or national bank need only file a notification. The notification must also include either a letter describing the material features of the transaction or a copy of a filing made with another state or federal agency seeking approval. The notification procedure provides OTS with the opportunity to identify any pending or potential supervisory concerns or enforcement actions involving the thrift institution and to alert the appropriate regulatory authority of any supervisory concerns regarding the disappearing thrift institution(s). 12 C.F.R. 563.22(h)(2) provides for an expedited or standard application process, depending on the condition (and compliance) of the savings association involved, pursuant to 12 C.F.R. 516.5, for (1) purchases of assets by a savings association that does not require OTS approval under the BMA; (2) bulk sales of less than all or substantially all of the assets of a savings association; (3) transactions in which a savings association transfers less than all or substantially all of its deposit liabilities to another depository institution; (4) bulk assumptions or transfers of non-deposit liabilities by a savings association; and (5) combinations involving savings associations and depository institutions other than insured depository institutions. In addition, Section 563.22(h)(2) provides for a standard application process for savings associations that propose to convert to a state bank or national bank, but do not qualify for expedited processing under 12 C.F.R. 516.5.

OTS Form 1589 is designed to provide OTS with the basic informational requirements necessary to evaluate the institution's proposed transaction in accordance with applicable statutes, regulations, and policies. In addition, OTS Form 1584, Notice Filing Pursuant to 12 C.F.R. 563.22(c), and OTS Form 1585, Notification of Intention to Convert or to Combine with a Bank, allow the institution to complete the notice and notification requirements in a minimum amount of time.

There are no third party requirements.

2. Use of Information Collected

The information for a Purchase of Branch Office(s) and/or Transfer of Assets/Liabilities application is to provide the Regional Offices with the information necessary to determine if the request should be approved. It allows for OTS evaluation of supervisory, accounting, and legal issues related to these transaction types. If the information were not collected, OTS would not be able to properly evaluate whether the proposed transaction meets applicable criteria.

3. Use of Technology to Reduce Burden

The information collection is not amenable to reduction through improved technology.

4. Efforts to Identify Duplication

There is no information requested on the forms that is collected by OTS in any other way.

5. Minimizing the Burden on Small Firms

The statutory provisions do not distinguish a respondent by the size of its business.

6. Consequences of Less Frequent Collections

The application information is submitted only once for each proposed transaction. As each transaction is unique, it would be impossible for OTS to evaluate the proposed transaction if the required application information is not submitted by the involved parties each time these types of transactions are proposed.

7. Special Circumstances

The information collection is in accordance with 5 C.F.R. 1320.5. There are no 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 September 28, 2010 (75 FR 59799). OTS has not received any comments.

9. Payment of Respondents

OTS provides no payment or gift to respondents.

10. Confidentiality

Certain information is not available to the public, including: (1) information exempt from disclosure by statute or executive order; (2) information contained in or related to examination, operating, or condition reports prepared for agency use; and (3) privileged information or information related to the business, personal, or financial affairs of any person and furnished in confidence. In accordance with this section, the form to be used will indicate that the information will be confidential as it will relate to the examination, operating, or condition reports prepared for agency use only.

11. Information of a Sensitive Nature

The forms do not request any information that could be considered personally sensitive.

12. Estimate of Annual Hour Burden

The total annual hour burden to the respondents is estimated at 960 hours, consisting of 40 submissions requiring an average of 24 hours per response. Please see details on the attached inventory form.

13. Estimate of Annual Cost

The total annual cost to the respondent is estimated at \$159,200; \$48,000 representing 960 hours at \$50 per hour and application filing fees totaling \$111,200. Please see details on the attached inventory form.

Transaction Type	Application Filing Fees	Number of Respondents	Total
Application for Bulk Purchase/ Sale of Assets/Liabilities (OTS Form 1589)	\$ 4,000.00	8	\$ 32,000.00
Notice of Bulk Purchase/ Sale of Assets/Liabilities (OTS Form 1584)	2,000.00	7	14,000.00
Notification of Combination w/Banks (OTS Form 1585)	2,000.00	8	16,000.00
Application for Sale of Branch to Bank (OTS Form 1589)	4,000.00	6	24,000.00
Notification of Conversion to Commercial Bank (Sasser) (OTS Form 1584)	1,200.00	8	9,600.00
Application of Conversion to Commercial Bank (Sasser) (OTS Form 1589)	5,200.00	3	15,600.00

**Total** **\$111,200.00**

14. Estimate of Annualized Costs 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

There was a decrease in application and notice activity for these transactions (from 41 respondents to 40 respondents), thus decreasing the total burden from 984 hours to 960 hours. OTS is citing this as an adjustment.

16. Publication

Not applicable.

17. Expiration Date

OTS has received permission to not display the expiration date on the forms. The expiration date will not assist the public in determining if this is the correct form to be used when filing with OTS.

18. Exceptions

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

**B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS**

Not applicable.