

**SUPPORTING STATEMENT FOR  
PROCEDURES FOR MONITORING BANK SECRECY ACT COMPLIANCE  
OMB Control No. 1550-0041**

A. JUSTIFICATION

1. Circumstances and Need

In 1970, Congress passed the Currency and Foreign Transactions Report Act commonly known as the ‘Bank Secrecy Act (“BSA”). The Money Laundering Control Act of 1986 further augmented the BSA’s effectiveness by adding interrelated sections 8(s) and 21 to the Federal Deposit Insurance Act, which applies to savings associations. Specifically, Section 1359 of the Anti-Drug Abuse Act of 1986, Pub. L. No. 99-570 (“Act”), required the former Federal Home Loan Bank Board (“FHLBB”) to prescribe regulations requiring regulated institutions to establish and maintain procedures reasonably designed to assure and monitor compliance with the BSA and the U.S. Department of Treasury regulation 31 CFR part 103. The Office of Thrift Supervision (“OTS”) is charged with the responsibility to examine savings association procedures periodically to ensure their effectiveness; OTS is therefore subject to the Act. *See* 12 CFR 563.177 and 563.180. The requirement that savings associations establish written BSA compliance procedures is a one-time event, but revisions to those procedures must occur as deemed necessary.

2. Use of Information Collected

OTS examiners review the written procedures during regularly scheduled examinations in order to ensure the implementation of adequate systems for complying with the BSA and its implementing regulations.

3. Use of Technology

The requirement for associations to develop written policies and procedures does not involve data application. Consequently, the use of automated, electronic, other technological collection techniques, or other forms of information technology 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 association’s policies and procedures will address its own compliance with the BSA and 31 CFR part 103.

5. Minimizing the Burden on Small Firms

The information collection does not differentiate information requirements on the basis of an association's size because the Act is applicable to all financial institutions. Nonetheless, the information collection does not have a significant impact on a substantial number of small businesses.

6. Consequences of Less Frequent Collection

The requirement for written policies and procedures is addressed as part of a BSA compliance program that is approved by the association's board of directors. Annually, the board of directors must review their current operating plan and consider whether the BSA program needs to be updated. If the review occurred less frequently, the procedures would not reflect current operations.

7. Special Circumstances

The information collection is conducted in a manner consistent with the guidelines set forth in 5 CFR 1320.5(d)(2).

8. Consultation with Persons Outside OTS

Notice of intent to renew this information collection was published in the Federal Register on February 9, 2010 (751 FR 6434). OTS did not receive any comments.

9. Payment of Respondents

OTS does not provide any payment or gifts to respondents.

10. Confidentiality

BSA policies and procedures are created and maintained at individual institutions; therefore, the assurance of confidentiality is not applicable.

11. Information of a Sensitive Nature

There are no questions of a sensitive nature.

12. Estimate of Annual Hour Burden

Estimates for the hour burden of information collection are as follows: the burden estimate for updating or reviewing the Bank Secrecy Act program is 30,600 hours. This is based on an average of 40 hours per year for each of the 765 savings associations regulated by OTS. The estimate is based on the time needed, if any, for the association to update or revise its BSA policies and procedures.

OTS estimates the annualized cost to each respondent is approximately \$2,000 (\$1,530,000 total for all institutions combined). We base this estimate on 40 hours per year for each respondent to update the BSA program, times per hour average of \$50. The per hour average cost represents a mixture of management and clerical personnel. The requirement to establish a BSA program has been in effect since 1987; therefore, all savings associations have a BSA compliance program in place.

13. Estimate of Annual Cost

There is no start-up costs related to this information collection. The operational or maintenance costs are dependent on whether the savings association modifies its policies and procedures.

14. Estimate of Annual Cost to Government

The total annualized cost to the Federal government is minimal. OTS examiners review the information during the course of regularly scheduled examinations, and review of the institutions' BSA policies and procedures constitutes a minimal part of those overall examinations.

15. Reason for Change in Burden

The burden hours for this information collection increased 7,080 hours (from 23,520 to 30,600 hours). This is due to an anticipated revision of savings associations' policies and procedures based on the release of a revised FFIEC BSA/AML Examination Manual in 2010. The revised FFIEC BSA/AML Examination Manual provides information on new regulatory requirements and guidance issued since the prior update, and supervisory expectations related to BSA/AML obligations.

16. Publication

The information collection is not published.

17. Expiration Date

OTS seeks not to display the expiration date because there is no form on which to display the expiration date.

18. Exceptions

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

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.