

**Supporting Statement for
OMB Control Number 1557-0205
Investment Securities -- 12 CFR Part 1**

A. Justification.

1. *Circumstances that make the collection necessary:*

Under 12 CFR 1.3(h)(2), a national bank may request an OCC determination that it may invest in an entity that is exempt from registration under section 3(c)(1) of the Investment Company Act of 1940¹ if the portfolio of the entity consists exclusively of assets that a national bank may purchase and sell for its own account.

Under 12 CFR 1.7(b), a national bank may request OCC approval to extend the five-year holding period of securities held in satisfaction of debts previously contracted (DPC) for up to an additional five years. The bank must provide a clearly convincing demonstration of why any additional holding period is needed.

2. *Use of the information:*

12 CFR 1.3(h)(2): The OCC uses the information contained in the request as a basis for determining that the bank's investment is consistent with its investment authority under applicable law and does not pose unacceptable risk.

12 CFR 1.7(b): The OCC uses the information in the request to ensure, on a case-by-case basis, that the bank's purpose in retaining the securities is not speculative and that the bank's reasons for requesting the extension are adequate, and to evaluate the risks to the bank of extending the holding period, including potential effects on bank safety and soundness.

3. *Consideration of the use of improved information technology:*

The information is unique and non-recurring. Therefore, the use of improved information technology does not appear to reduce burden or cost. However, the OCC would consider a bank's proposal to use any existing technology relevant to producing or delivering the information.

4. *Efforts to identify duplication:*

This information collection is unique to the bank and the particular filing. It is not duplicated anywhere.

¹ 15 U.S.C. 80a-3(c)(1).

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

This information collection does 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 information is collected infrequently, as covered situations arise. Less frequent collection could impair OCC's bank supervisory activities and would limit the utility of the information to bank management. Less frequent collection could result in unsafe and unsound bank operations.

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

Not applicable. This information collection is conducted in accordance with OMB's guidelines in 5 CFR Part 1320.

8. *Efforts to consult with persons outside the agency:*

The OCC sought public comment for 60 days regarding the extension of OMB approval of the information collection requirements in Part 1 through a notice published in the *Federal Register* on February 6, 2012 (76 FR 5877). The OCC did not receive any comments.

9. *Payment to respondents:*

There is no payment to respondents.

10. *Any assurance of confidentiality:*

No assurance of confidentiality is given.

11. *Justification for questions of a sensitive nature:*

There are no questions of a sensitive nature.

12. Burden estimate:

The OCC estimates that a total of about 25 national banks will make a request of the OCC for a determination under 12 CFR 1.3(h)(2) and 12 CFR 1.7(b).

Cite and Burden Type	Information Collection Requirements in 12 CFR Part 1	Number Of Respondents	Number Of Responses	Average Hours Per Response	Estimated Burden Hours
12 CFR 1.3(h)(2) Reporting	<i>Limitations on dealing in, underwriting, and purchase and sale of securities – Pooled Investment – Other issuers</i> – A national bank may request an OCC determination that it may invest in an entity that is exempt from registration under section 3(c)(1) of the Investment Company Act of 1940 if the portfolio of the entity consists exclusively of assets that a national bank may purchase and sell for its own account.	15	1	24	360 hours
12 CFR 1.7(b)	<i>Securities held in satisfaction of debts previously contracted; holding period; disposal; accounting treatment; non-speculative purpose – Holding period</i> – A national bank may request OCC approval to extend the five-year holding period of securities held in satisfaction of debts previously contracted (DPC) for up to an additional five years. The bank must provide a clearly convincing demonstration of why any additional holding period is needed.	10	1	10	100
Totals		25	1		460

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

12 CFR 1.3(h)(2)

Clerical:	05% x 360 hours x \$20	=	\$ 360
Managerial/Technical:	85% x 360 hours x \$40	=	\$12,240
Senior Mgmt/Professional:	10% x 360 hours x \$80	=	<u>\$ 2,880</u>
Legal:	N/A		
Total:		=	\$15,480

12 CFR 1.7(b)

Clerical:	05% x 100 hours x \$20	=	\$ 100
Managerial/Technical:	85% x 100 hours x \$40	=	\$3,400
Senior Mgmt/Professional:	10% x 100 hours x \$80	=	<u>\$ 800</u>
Legal:	N/A		
Total:		=	\$4,300

13. Estimate of annualized costs to respondents:

Not applicable.

14. Estimate of annualized costs to the government:

Not applicable.

15. Changes in burden:

There is no change in burden.

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

The results of these collections will not be published for statistical use.

17. Display of expiration date:

Not applicable.

18. Exceptions to certification statement:

None.

B. Collections of Information Employing Statistical Methods.

Not applicable.