

SUPPORTING STATEMENT
ACTIVITIES AND INVESTMENTS OF INSURED STATE BANKS
(OMB No. 3064-0111)

The FDIC requests OMB approval to renew the captioned information collection. The current OMB approval expires on November 30, 2012.

A. JUSTIFICATION

1. Circumstances and Need

With certain exceptions, Section 24 of the FDI Act (12 USC 1831a) limits the direct equity investments of state chartered banks to equity investments that are permissible for national banks. In addition, the statute prohibits an insured state bank from directly engaging as principal in any activity that is not permissible for a national bank or indirectly through a subsidiary in an activity that is not permissible for a subsidiary of a national bank unless the bank meets its minimum capital requirements and the FDIC determines that the activity does not pose a significant risk to the deposit insurance fund. The FDIC can make such a determination for exception by regulation or by an order. The FDIC's implementing regulation for Section 24 is set forth at 12 CFR Part 362. It details the activities that insured state banks or their subsidiaries may engage in, under certain criteria and conditions. In addition, 12 CFR Part 303, Subpart G, identifies the information that banks must furnish to the FDIC in order to obtain the FDIC's approval or nonobjection. Respondents will be banks or their subsidiaries desiring to engage in activities that would be impermissible absent the FDIC's consent or nonobjection.

2. Use of Information Collected

The information in an application or notice is used by the FDIC as part of the process of determining the risk to the applicable deposit insurance fund. For example, the FDIC uses the information to determine whether current or contemplated activities pose a level of risk that is not appropriate for a particular insured state banking institution or its subsidiaries.

3. Use of Technology to Reduce Burden

Applicants may use technology to the extent appropriate and feasible to prepare applications or notices.

4. Efforts to Identify Duplication

The information required by this collection is not available elsewhere.

5. Minimizing Burden

All insured state banks, regardless of size, must submit the same data, if applicable, relative to an application or notice. The application and notice requirements have been designed to impose the minimum burden consistent with the FDIC's statutory mandates.

6. Consequences of Less Frequent Collection

The frequency is consistent with the statutory mandate and less frequent collection would result in non-compliance with the law.

7. Special Circumstances

None.

8. Consultation with Persons Outside the FDIC

A "first" *Federal Register* notice seeking comment for a 60-day period was published on July 30, 2012 (77 FR 44617). No comments were received.

9. Payment or Gift to Respondents

None.

10. Confidentiality

The information required in part 362 is generally available to the public; however, any information deemed to be of a confidential nature would be exempt from public disclosure under the provisions of the Freedom of Information Act (5 U.S.C. 552).

11. Information of a Sensitive Nature

No questions of a sensitive nature are included in the collection.

12. Estimate of Annual Burden

Frequency of response: Occasional.

Number of responses: 110

Average number of hours to prepare an application or notice: 8 hours.

Total annual burden: 880

13. Capital Start-up and Operation/Maintenance Costs

None.

14. Annual Cost to the Federal Government

None.

15. Reason for Change in Burden

There is no change in burden.

16. Publication

The information collected is not published. The information is retained in the FDIC Division of Supervision and Compliance's Washington, D.C. or applicable regional office files.

17. Display of Expiration Dates

This information collection is contained in a regulation.

18. Exceptions to Certification

None.

B. STATISTICAL METHODS

Statistical methods are not employed in these collections.