

**SUPPORTING STATEMENT
RISK-BASED CAPITAL STANDARDS: ADVANCED
CAPITAL ADEQUACY FRAMEWORK
OMB CONTROL NO. 1557-0234**

A. Justification.

1. *Circumstances that make the collection necessary:*

On December 7, 2007, the OCC and the other Federal banking agencies¹ issued a joint final rule titled Risk-Based Capital Standards: Advanced Capital Adequacy Framework implementing a new risk-based regulatory capital framework for institutions in the United States.² The final rule requires certain large or internationally active banks and bank holding companies to (1) adopt a written implementation plan, (2) update that plan for any mergers, (3) obtain prior written approvals for the use of certain approaches for determining risk-weighted assets, and (4) make certain public disclosures regarding their capital ratios, their components, and information on implicit support provided to a securitization.

The information collection requirements in this collection are found in 12 CFR Parts 3 and 167, Appendix C, §§ 21-24, 42, 44, 53 and 71. The required reporting forms are contained in a separate information collection (OMB Control No. 1557-0239.)

2. *Use of the information:*

The OCC uses the information collected to meet its statutory obligations to adopt and implement a risk-based capital requirement, determine the qualification of a bank for application of the rule, and assess the adequacy of a qualifying bank's risk-based capital.

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

National banks and Federal savings associations may use any information technology that permits review by OCC examiners.

4. *Efforts to identify duplication:*

The required information is unique and is not duplicative of any other information already collected.

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.

¹ Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, and Office of Thrift Supervision.

² 72 FR 69288 (December 7, 2007).

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

The OCC will not be able to adequately monitor capital levels and ensure safety and soundness if the collection were conducted less frequently.

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

The information collection will be conducted in a manner consistent with 5 CFR Part 1320.

8. Efforts to consult with persons outside the agency:

On November 19, 2012, the OCC sought comment on a 60-day *Federal Register* notice (77 FR 69546), and received no comments.

9. Payment or gift to respondents:

None.

10. Any assurance of confidentiality:

The information will be kept confidential only to the extent permitted by law.

11. Justification for questions of a sensitive nature:

There are no questions of a sensitive nature in the information collection.

12. Burden estimate:

Section Number	Section Title	Requirement	Estimated Burden Hours Per Institution
Section 21	Qualification Process Timing	(a),(b), (c) and (e)(4) Written Implementation Plan, Parallel run, and reporting	4,275
Section 22	Risk Rating and Segmentation Systems	(b)(4) Identify all defaulted retail exposures and group them in segments. Describe the bank's rating philosophy and explain migration.	125
	Quantification of risk parameters for	(c)(8) annually conduct a comprehensive review and analysis	4,275

Section Number	Section Title	Requirement	Estimated Burden Hours Per Institution
	wholesale and retail exposures	of reference data to determine relevance, quality, and consistency	
	Operational Risk management systems	(h)(1)(ii) and (iii) document a process to identify, measure, monitor and control operational risk and report operational risk exposures and losses to management and board of directors.	425
	Operational risk quantification systems	(h)(3)(i)(D)(ii) with prior written approval, a bank may generate an estimate of operational exposure using an alternative approach, included in implementation plan.	155
	Data Management and Maintenance	(i)(2) and (3) Data management and maintenance systems. Retain data using electronic format that allows timely retrieval. Retain sufficient data elements related to the key risk drivers.	4,275
	Control and Oversight Mechanisms	(j)(2) and (j)(4)(i), (ii), and (iii) Board must annually evaluate effectiveness of and approve bank's advanced systems.	200
	Documentation	(k) Must adequately document all material aspects of its advanced systems.	265
Section 23	Ongoing Qualification	(a)(b)(c) Keep the implementation plan current for mergers.	265
Section 42	Capital Requirement for Securitization Exposures Implicit Support	(h)(2) Must disclose publicly that it has provided implicit support to the securitization and regulatory capital impact to the bank of providing implicit support.	200
Section 44	Internal Assessment Approach	(a)(1) Bank qualification criteria, prior written approval of use of IAA, review and update each internal credit assessment whenever new material is available but at least	155

Section Number	Section Title	Requirement	Estimated Burden Hours Per Institution
		annually, validate internal credit assessment process on an ongoing basis and at least annually.	
Section 53	Internal Models Approach	(a) Must have prior written approval from agency to use IMA, and a model that assesses potential decline in value of its equity exposures...	200
		(a)(5) Daily market prices must be available for all modeled exposures...	125
Total			14,940

Estimated Number of Respondents: 55.

Estimated Total Burden Hours per Institution: 14,940 (14,939 in ROCIS due to rounding).

Total Estimated Annual Burden: 821,700 (821,640 in ROCIS due to rounding).

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

Not applicable.

14. Estimate of annualized costs to the Federal government:

Not applicable.

15. Change in burden:

There is no change in burden.

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:

The OCC is not requesting permission to not display the OMB approval expiration date.

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

None.

B. Collections of Information Employing Statistical Methods.

Not applicable.