

**Office of the Comptroller of the Currency**  
**Supporting Statement**  
**Interagency Policy Statement on**  
**Funding and Liquidity Risk Management**  
**1557-0244**

A. Justification.

1. Circumstances that make the collection necessary:

On March 22, 2010, the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, and the National Credit Union Administration in conjunction with the Conference of State Bank Supervisors, issued a policy statement on funding and liquidity risk management.<sup>1</sup> The guidance summarized the principles of sound liquidity risk management that the agencies have issued in the past and, where appropriate, brings them into conformance with the “Principles for Sound Liquidity Risk Management and Supervision” issued by the Basel Committee on Banking Supervision (BCBS) in September 2008.

2. Use of the information:

Section 14 of the policy statement provides that institutions should consider liquidity costs, benefits, and risks in their strategic planning and budgeting processes. Significant business activities should be evaluated for liquidity risk exposure as well as profitability. More complex and sophisticated institutions should incorporate liquidity costs, benefits, and risks in the internal product pricing, performance measurement, and new product approval process for all material business lines, products, and activities. Incorporating the cost of liquidity into these functions should align the risk-taking incentives of individual business lines with the liquidity risk exposure their activities create for the institution as a whole. The quantification and attribution of liquidity risks should be explicit and transparent at the line management level and should include consideration of how the institution’s liquidity would be affected under stressed conditions.

Section 20 requires that liquidity risk reports provide aggregate information with sufficient supporting detail to enable management to assess the sensitivity of the institution to changes in market conditions, its own financial performance, and other important risk factors. Institutions also should report on the use of and availability of government support, such as lending and guarantee programs, and the implications on liquidity positions, particularly because these programs generally are temporary or reserved as a source for contingent funding.

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<sup>1</sup> 75 FR 13656 (March 22, 2010).

3. Consideration of the use of information technology:

Respondents may use any available information technology.

4. Efforts to identify duplication:

The information required is unique and is not duplicated elsewhere.

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

Not applicable.

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

Good liquidity risk management is important to ensure the safety and soundness of financial institutions. Less frequent collection would put institutions at risk.

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

The information collection is conducted in accordance with OMB guidelines in 5 CFR Part 1320.

8. Efforts to consult with persons outside the agency:

On February 15, 2013, OCC issued a *Federal Register* notice with a 60-day comment period regarding the collection. 78 FR 11273. No comments were received.

9. Payment to respondents:

None.

10. Any assurance of confidentiality:

There is no assurance of confidentiality.

11. Justification for questions of a sensitive nature:

Not applicable.

12. Burden estimate:

Affected public: National banks, Federal savings associations, their subsidiaries, and Federal branches or agencies of foreign banks.

Number of respondents: 1,833 total (13 large (over \$100 billion in assets), 47 mid-size (\$10 - \$100 billion), 1,773 small (less than \$10 billion)).

Burden under section 14: 360 hours per large respondent, 120 hours per mid-size respondent, and 40 hours per small respondent.

Burden under section 20: 2 hours per month.

Total estimated annual burden: 125,232 hours.

13. Estimate of annualized costs to respondents:

Not applicable.

14. Estimate of annualized costs to the government:

Not applicable.

15. Changes in burden:

Current burden:

340,768 Total Burden Hours

New burden:

125,232 Total Burden Hours

Difference:

-215,536 Burden Hours

The decrease in burden is due to the fact that institutions have completed their initial set

up and the burden of ongoing compliance is significantly lower.

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

No publication for statistical use is contemplated.

17. Display of expiration date:

Not applicable.

18. Exceptions to certification statement:

Not applicable.

B. Collections of Information Employing Statistical Methods.

Not applicable.