

SUPPORTING STATEMENT
ASSET PURCHASER ELIGIBILITY
OMB No. 3064-0135

INTRODUCTION

The FDIC requests OMB approval to revise the currently approved collection of information captioned above to add two forms to the collection. The Asset Purchaser Eligibility information collection implements the statutory requirement that assets held by the FDIC in the course of liquidating any federally insured institution not be sold to persons who contributed to the demise of an insured institution in specified ways. The current clearance for the collection expires on August 30, 2015.

A. JUSTIFICATION

1. Circumstances and Need

The FDIC acquires assets as the result of being appointed conservator or receiver of failing financial institutions and generally sells these assets through competitive sales. The FDIC is statutorily required to promulgate a regulation prohibiting the sale of assets held by insured depository institutions that have been placed under the conservatorship or receivership of the FDIC to certain individuals or entities that profited or engaged in wrongdoing at the expense of those failed institutions, or seriously mismanaged those failed institutions. The statute specifies classes of persons prohibited from purchasing assets of failed institutions from the FDIC. (FDI Act Section 11(p), 12 U.S.C. 1821(p)). The statutory requirement is implemented by a regulation, “Restrictions on the Purchase of Assets from the FDIC,” (published at 65 Federal Register 14816, March 20, 2000) and a Purchaser Eligibility Certification that the FDIC uses to determine a person’s eligibility to purchase assets. The FDIC is adding two forms to the collection, a Contact Information Form and a Pre-Qualification Request form. The Contact Information form is designed to allow quick identification of the types of assets a prospective bidder is interested in and to facilitate communication with the appropriate bidder representative. The Pre-Qualification Request form is intended to determine which prospective bidders are qualified to bid on particular assets offered by the FDIC (e.g., securities, mortgage servicing portfolios, shared national credits, interests in structured transactions, credit card receivables) for which no further qualification criteria must be met and to ensure that prospective bidders understand the terms and conditions of asset sales.

2. Use of Information Collected

The FDIC uses the information collected to ensure compliance with the statutory requirements before each sale of assets.

3. Use of Technology to Reduce Burden

Prospective bidders have the option of submitting the information via hard copy, facsimile, or email.

4. Efforts to Identify Duplication

There is no duplication. The information is not available elsewhere.

5. Minimizing the Burden on Small Banks

The rule will not have a significant economic impact on a substantial number of small entities. Most of the information collected is required by statute.

6. Consequences of Less Frequent Collection

As a result of the statute's prohibition, each purchase of assets from the FDIC requires a determination that the prospective bidder is qualified.

7. Special Circumstances

Generally, none of the special circumstances exist. However, the nature of the sales process may not always allow for 30 days for a potential purchaser to respond to the certification requirement. It is noted, however, that the average response time to provide the requested information is approximately one hour.

8. Consultation with Persons Outside the FDIC

A "first" Federal Register notice seeking public comment for a 60-day period was published on December 18, 2012 (77 FR 74847). No comments were received.

9. Payment or Gift to Respondents

Not applicable.

10. Confidentiality

No assurance of confidentiality is made.

11. Information of a Sensitive Nature

The collection requires no information of a sensitive nature.

12. Estimate of Hour Burden and Annual Costs

Number of respondents: 600

Time per response: 1 hour (Purchaser Eligibility Certification, 30 minutes; Contact Information Form, 10 minutes; Pre-Qualification Request, 20 minutes).

Total annual burden: 600 hours

Estimate of annualized cost: 600 responses x 1 hour x \$40/hour = \$24,000.

13. Capital, Start-Up and Maintenance Costs

Not applicable.

14. Estimated Annual Cost to the Federal Government

Estimated 600 responses x 1/2 hour to review response x \$30 / hour = \$9,000.

15. Reason for Change in Burden

The burden decrease of 300 hours reflects the addition of two forms to the collection. The Contact Information form, which is estimated to take 10 minutes to complete, adds 100 hours; and the Pre-Qualification, which is estimated to take 20 minutes to complete, adds another 200 hours.

16. Publication.

Not applicable.

17. Display of Expiration Dates

The expiration date will be displayed on the form.

18. Exceptions to Certification

None.

B. Statistical Methods

Not applicable.