

SUPPORTING STATEMENT
SECURITIES OF INSURED NONMEMBER BANKS
(OMB No. 3064-0030)

INTRODUCTION

The Federal Deposit Insurance Corporation ("FDIC") is requesting OMB approval to renew without change the above-captioned collection of information. Approval for the current collection expires on July 31, 2013. The information collection requirements are contained in 12 CFR 335 of the FDIC's regulations. The information is collected from the officers, directors, and principal shareholders of FDIC-supervised banks subject to the securities registration requirements of the Securities Exchange Act of 1934, as amended ("the Exchange Act"). The information is considered necessary for actual and potential investors making investment decisions concerning securities issued by reporting banks.

BACKGROUND

Section 16 of the Exchange Act requires officers, directors, and persons who beneficially own more than 10 percent of a specified class of registered equity securities to publicly report their transactions in equity securities of the issuer, and allows the securities issuing company to recover profits made on "short-swing" transactions occurring in any six-month period. A provision of Section 12(i) of the Exchange Act requires the FDIC to issue substantially similar regulations to those imposed by the SEC, unless SEC amendments are found not necessary or appropriate.

A. Justification

1. Circumstances and Need

Section 16(b) of the Exchange Act provides a private right of action by the issuer or the shareholders to bring an action against reporting persons to recover any "short-swing profits" made by reporting persons during a six month period. In order to discover short-swing profits, the public must rely upon the filings of FDIC beneficial ownership reports, which disclose information related to transactions in and ownership of the registered bank's securities. Without this disclosure, there is a greater possibility that reporting persons could engage in transactions in violation of Section 16 of the Exchange Act.

2. Use of Information Collected

The FDIC reviews the information collected to ensure that it complies with federal law and makes public all information required to be filed under these rules. Current and potential investors, depositors, and the public use the information to make informed decisions about such banks.

3. Use of Technology to Reduce Burden

Prior to the passage of the Sarbanes-Oxley Act of 2002, FDIC regulations required these forms to be filed in hard copy (paper). The Sarbanes-Oxley Act changed this requirement by mandating electronic filing. The FDIC is compliant with this law, and filers now file their forms electronically through the FDICconnect Business Center. FDICconnect is the secure Internet channel for FDIC-insured institutions to conduct business and exchange information with the FDIC.

4. Efforts to Identify Duplication

Generally, the requested information will not otherwise be available. The required disclosures are unique, and do not duplicate data reported for other purposes.

5. Minimizing the Burden on Small Banks

This collection of information imposes upon banks that have more than \$10 million in total assets and 500 or more stockholders only the minimum burden necessary to fulfill statutory requirements under the Exchange Act and to serve investors, depositors, and the public. Congress sought to be sensitive to the needs of small entities by affording sufficient time in which to file the forms. The SEC considered the resources of small entities in formulating its rules and regulations, and clarified and simplified the forms and instructions thereto to the extent practicable. The FDIC is also sensitive to the needs of small entities.

6. Consequence of Less Frequent Collection

Form 3 must be filed only once, upon an individual's attainment of insider status. Form 4 is required only when there is a transaction in the issuer's securities. Form 5 is required on an annual basis, and only when there has been a non-reported prior transaction in the issuer's securities. To require the information less frequently would be to defeat the purpose of Section 16 of the Exchange Act, which is timely disclosure of insider trades.

7. Special Circumstances

There are no special circumstances.

8. Notice and Comment; Consultation with Persons Outside the FDIC

A "first" Federal Register notice seeking comment was published in the Federal Register on April 23, 2013 (78 FR 23932). No comments were received.

9. Payment or Gift to Respondents

There are no payments or gifts to respondents.

10. Confidentiality

These are public documents.

11. Information of a Sensitive Nature

No information of a sensitive nature is collected.

12. Estimate of Annual Burden

	No. of respondents	Hours Per Response	Frequency of Response	Total Burden
Form 6800/03, Initial Statement of Beneficial Ownership	57	1.0	1	57
Form 6800/04, Statement of Changes in Beneficial Ownership	296	0.5	4	592
Form 6800/05, Annual Statement of Beneficial Ownership	68	1.0	1	68
Total	421			717

Number of Respondents: 421
Number of Responses per Respondent: 3.11
Total Annual Responses: 1,309
Hours per Response: 0.55
Total Annual Burden Hours: 717

The estimated annual cost is \$ 53,775.

13. Start-up, Capital and Operating Costs

There are no start-up, capital and operating costs.

14. Annual Cost to Federal Government

Staff Compensation	\$ 350,000
	<u> x .10</u>
	\$ 35,000
Overhead	<u> 15,000</u>
Total	\$ 50,000

An allocation factor of 10 percent has been used to estimate the percent of staff time devoted to all Exchange Act activities that is related to beneficial ownership reports. The overall dollar estimate is based upon annual budget allocation for professional staff (2 employees) assigned to Exchange Act functions in the FDIC's Accounting and Securities Disclosure Section, which administers the applicable regulations, and estimated FDIC overhead associated with the maintenance of the electronic filing system used to collect the beneficial ownership reports and disclose them publicly on the FDIC's Website. The FDIC professional staff reviews the information collected to ensure that it complies with federal law, generally when verifying the accuracy of the beneficial ownership disclosures in proxy material.

15. Reason for Change in Burden

There is no change in the burden.

16. Publication

Forms 3, 4, and 5 filed by insiders are publicly available on the FDIC's Web site at <http://www2.fdic.gov/efr/>.

17. Exception to Expiration Date Display

None needed.

18. Exceptions to Certification

None.