

**Supporting Statement for
Lending Limits
12 CFR 32
OMB Control No. 1557-0221**

A. Justification.

1. Circumstances that make the collection necessary:

Twelve CFR 32.7(b) provides an application process to obtain authorization to use the Supplemental Lending Limits Program (Program). The Program authorizes special lending limits for 1-4 family residential real estate loans, small businesses loans, and small farm loans. This information collection requires national banks and savings associations that want to take advantage of the Program to apply to OCC and receive approval.

The Program provides that, in addition to the amount that a national bank or savings association may lend to one borrower under 12 CFR 32.3, an eligible national bank or savings association¹ may make:

- Residential real estate loans or extensions of credit to one borrower in the lesser of the following two amounts: 10 percent of its capital and surplus; or the percent of its capital and surplus, in excess of 15 percent, that a State bank or savings association is permitted to lend under the State lending limit that is available for residential real estate loans or unsecured loans in the state where the main office of the national bank or savings association is located;
- Small business loans or extensions of credit to one borrower in the lesser of the following two amounts: 10 percent of its capital and surplus; or the percent of its capital and surplus, in excess of 15 percent, that a State bank is permitted to lend under the state lending limit that is available for small business loans or unsecured loans in the state where the main office of the national bank or home office of the savings association is located; and
- Small farm loans or extensions of credit to one borrower in the lesser of the following two amounts: 10 percent of its capital and surplus; or the percent of its capital and surplus, in excess of 15 percent, that a State bank or

¹ An *eligible national bank or eligible savings association* is well capitalized as defined in the prompt corrective action rules applicable to the institution and as a composite rating of 1 or 2 under the Uniform Financial Institutions Rating System in connection with its most recent examination or subsequent review, with at least a rating of 2 for asset quality and for management.

savings association is permitted to lend under the State lending limit that is available for small farm loans or unsecured loans in the State where the main office of the national bank or savings association is located.

An eligible national bank or savings association must submit an application to, and receive approval from, its supervisory office before using the supplemental lending limits. The supervisory office may approve a completed application if it finds that approval is consistent with safety and soundness. The application must include:

(1) Certification that the national bank or savings association is an *eligible bank or eligible savings association*;

(2) Citations to relevant State laws or regulations;

(3) A copy of a written resolution by a majority of the bank's or savings association's board of directors approving the use of the limits, and confirming the terms and conditions for use of this lending authority; and

(4) A description of how the board will exercise its continuing responsibility to oversee the use of this lending authority.

2. Use of the information:

The OCC uses the information to confirm that the proposed activity is permissible for the national bank or savings association, and that it does not endanger the safety and soundness of the national bank or savings association. Specifically, the OCC reviews the information contained in the application to determine whether the national bank or savings association is an eligible bank or savings association, that the majority of the national bank's or savings association's board of directors has approved the use of the exceptions, and to review how the board intends to exercise its continuing oversight responsibility with regard to this lending authority.

3. Consideration of the use of improved information technology:

Any existing technology relevant to producing or delivering the information may be used.

4. Efforts to identify duplication:

This information collection is unique to the national bank or savings association and the particular filing. It is not duplicated anywhere.

5. Methods used to minimize burden if the collection has a significant impact on substantial

number of small entities:

This information collection does not have a significant impact on a substantial number of small entities.

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

The information is collected infrequently, as covered situations arise. Less frequent collection could impair the OCC's supervisory activities.

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

This information collection is conducted in accordance with OMB's guidelines in 5 CFR Part 1320.

8. Efforts to consult with persons outside the agency:

The information collection was published for 60 days of comment on April 15, 2013. 78 FR 22365. No comments were received.

9. Payment to respondents:

There is no payment to respondents.

10. Any assurance of confidentiality:

No assurance of confidentiality is given.

11. Justification for questions of a sensitive nature:

There are no questions of a sensitive nature.

12. Burden estimates:

Section Number	Requirement	Type of Burden	Number of Respondents	Number of Responses Per Respondent	Burden Per Response	Total
§ 32.7	Application Process: Special Lending Limit Program: <ul style="list-style-type: none">• Apply and Obtain Approval Before Using	Reporting	57	1	26	1,482

Totals						1,482
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13. Estimate of annualized costs to respondents:

Clerical:	10% x 1,482 =	148.20 @ \$20 =	\$ 2,964.00
Managerial/technical:	35% x 1,482 =	518.70 @ \$40 =	\$ 20,748.00
Senior mgmt/professional:	38% x 1,482 =	563.16 @ \$80 =	\$ 45,052.80
Legal:	17% x 1,482 =	251.94 @ \$100 =	\$ 25,194.00
Total:			\$ 93,958.80

14. Estimate of annualized costs to the government:

Not applicable.

15. Changes in burden:

There is no change in burden.

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

The results of these collections will not be published for statistical use.

17. Display of expiration date:

Not applicable.

18. Exceptions to certification statement:

None.

B. Collections of Information Employing Statistical Methods.

Not applicable.