

Supporting Statement
Lending Limits
Final Rule
OMB Control No. 1557-NEW

A. Justification.

The Interim Final Rule implemented section 610 of the Dodd-Frank Act by adding a new § 32.9, credit exposure arising from derivative and securities financing transactions. Twelve CFR 32.9 provides national banks and savings associations with three alternative methods for calculating the credit exposure of derivative transactions other than credit derivatives (the Internal Model Method, the Conversion Factor Matrix Method, and the Remaining Maturity Method) and two alternative methods for calculating such exposure for securities financing transactions. The OCC provided these different models to reduce the practical burden of such calculations, particularly for smaller and mid-size banks and savings associations.

The use of a model (other than the model approved for purposes of the Advanced Measurement Approach in the capital rules) must be approved by the OCC specifically for part 32 purposes and must be approved in writing. If a national bank or Federal savings association proposes to use an internal model that has been approved by the OCC for purposes of the Advanced Measurement Approach, the institution must provide prior written notification to the OCC prior to use of the model for lending limits purposes. OCC approval is also required before substantive revisions are made to a model that is used for lending limits purposes.

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 bank or savings association.

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 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 as part of the final rule on June 25, 2013, 78 FR 37930.

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
§ 32.9	Model Approval Process: <ul style="list-style-type: none">• Receive Approval for Use of a Model;• Submit Notification to Use Approved Model;	Reporting	238	2	1	476

	<ul style="list-style-type: none"> Receive Approval for Substantive Change to Approved Model 					
Totals						476

13. Estimate of annualized costs to respondents:

Not applicable.

14. Estimate of annualized costs to the government:

Not applicable.

15. Changes in burden:

The change in burden is an increase of 476 hours. This is an increase due to the fact that this is a new collection.

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.