

SUPPORTING STATEMENT
ASSET PURCHASER FORMS
OMB No. 3064-NEW

INTRODUCTION

The FDIC requests OMB approval of a new information collection, entitled “Asset Purchaser Forms” and comprised of two forms used by the FDIC in the sale of assets of failed federally insured institution. The two forms are the “Pre-Qualification Request Form” and the “Contact Information Form.” These two forms are used in conjunction with an existing information collection, entitled “Asset Purchaser Eligibility” (OMB No. 3064-0135).

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 (PEC), currently approved under OMB No. 3064-0135. The PEC is a self-certification by prospective bidders that they do not fall into any of the categories of entities and individuals who are statutorily prohibited from purchasing the assets of failed depository institutions. The PEC is used in every sale of every type of asset sold by the FDIC.

The FDIC is currently seeking clearance for two forms, a Pre-Qualification Request form and a Contact Information Form. The Pre-Qualification Request is also a self-certification for prospective bidders, but only for those interested in the purchase of securities. The purpose of the Pre-Qualification Request document is to set minimum financial standards and to ensure that the potential bidder has an understanding of the securities that they are bidding on, along with the risks. By execution and delivery of the completed document, the undersigned requests the FDIC determination, based upon the certifications and representations made within the document, that the undersigned is a qualified bidder for those asset sales for which no further qualification criteria is required to be met. Minimum net worth is established for individual investors in excess of \$1 million and a corporation a net worth in excess of \$5 million. When a potential bidder

signs the Pre-Qualification Request form, they are certifying that they have the required securities knowledge and experience and meet the minimum net worth requirements.

The Contact Information form is a document that is used to identify designated contacts for the potential bidder and identifies the specific types of securities that the bidder is interested investing in. It also gathers minority and women owned information that is used by the FDIC to assist in promoting our sales. The form is specifically for securities and is not used in any other asset sales. The information assists the asset managers when sending out asset sale announcements.

Although the Pre-Qualification Request Form and the Contact Information Form have been in use for a number of years, they are just being cleared on the basis of a legal review that determined that a previous opinion that the forms were not subject to PRA was in error. Once cleared by OMB, the existing PEC information collection, the Pre-Qualification Request Form, and the Contact Information Form will be merged into one collection.

2. Use of Information Collected

The FDIC uses the information collected to ensure compliance with purchaser eligibility 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 collection 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

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. A second Federal Register was published on February 27, 2013 (78 FR 13341). Again, 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: Contact Information Form, 10 minutes; Pre-Qualification Request, 20 minutes.

Total annual burden: 300 hours.

Estimate of annualized cost: 600 responses x ½ hour x \$40/hour = \$12,000.

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

This is a new information collection.

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.