

**Annual Stress Test Rule and
Company-Run Annual Stress Test Reporting Template and Documentation for Covered
Institutions with Total Consolidated Assets of \$10 Billion to \$50 Billion and over \$50
Billion under the Dodd-Frank Wall Street Reform and Consumer Protection Act**

Supporting Statement A
OMB CONTROL NO. 1557-NEW
[CURRENTLY APPROVED UNDER OMB CONTROL NO. 1557-0311]

A. Justification

1. Circumstances Making the Collection of Information Necessary

OMB Control No. 1557-0311 currently encompasses information collection requirements contained in the OCC's (i) annual stress testing rule; and (ii) its stress testing templates for covered institutions with over \$50 billion in total consolidated assets. The OCC has separately requested to expand the collection under OMB Control No. 1557-0311 to include templates for institutions with total consolidated assets of \$10 billion to \$50 billion. As that request is still pending, by this action the OCC is requesting approval for only changes to the templates for covered institutions with over \$50 billion in consolidated assets and is seeking a new control number for this portion of the collection. This collection will be consolidated with the remainder of OMB Control No. 1557-0311 as soon as possible so that all of the OCC's stress testing information collection requirements will be approved under a single control number.

The annual stress test rule¹ implemented Section 165(i) of the Dodd-Frank Wall Street Reform and Consumer Protection Act² ("Dodd-Frank Act") which requires certain companies to conduct annual stress tests. National banks and Federal savings associations with total consolidated assets of more than \$10 billion are be required to conduct annual stress tests and comply with reporting and disclosure requirements under the rule. The reporting templates for institutions with total consolidated assets of over \$50 billion were finalized in 2012.³

Section 165(i)(2) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) requires certain financial companies, including national banks and Federal savings associations, to conduct annual stress tests⁴ and requires the primary financial regulatory agency⁵ of those financial companies to issue regulations implementing the stress test requirements.⁶ A national bank or Federal savings association is a "covered institution" and therefore subject to the stress test requirements if its' total consolidated assets are more than \$10 billion.

¹ October 9, 2012 – Final Rule (77 FR 61238)

² Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203, 124 Stat. 1376 (2010).

³ 77 FR 49485 (August 16, 2012); 77 FR 66663 (November 6, 2012).

⁴ 12 U.S.C. 5365(i)(2)(A).

⁵ 12 U.S.C. 5301(12).

⁶ 12 U.S.C. 5365(i)(2)(C).

Under section 165(i)(2), a covered institution is required to submit to the Board of Governors of the Federal Reserve System (Board) and to its primary financial regulatory agency a report at such time, in such form, and containing such information as the primary financial regulatory agency may require.⁷

2. Purpose and Use of the Information Collection

The OCC intends uses the data collected through the current templates to assess the reasonableness of the stress test results of covered institutions and to provide forward-looking information to the OCC regarding a covered institution's capital adequacy. The OCC also uses the results of the stress tests to determine whether additional analytical techniques and exercises could be appropriate to identify, measure, and monitor risks at the covered institution. The stress test results support ongoing improvement in a covered institution's stress testing practices with respect to its internal assessments of capital adequacy and overall capital planning.

The Dodd-Frank Act stress testing requirements apply to all covered institutions, but the OCC recognizes that many covered institutions with consolidated total assets of \$50 billion or more have been subject to stress testing requirements under the Board's Comprehensive Capital Analysis and Review (CCAR). The OCC also recognizes that these institutions' stress tests are applied to more complex portfolios and therefore warrant a broader set of reports to adequately capture the results of the company-run stress tests. These reports necessarily require more detail than would be appropriate for smaller, less complex institutions. Therefore, the OCC has specified separate reporting templates for covered institutions with total consolidated assets between \$10 and \$50 billion and for covered institutions with total consolidated assets of \$50 billion or more. In cases where a covered institution with assets less than \$50 billion is affiliated with a banking organization with assets of \$50 billion or more, the OCC reserves the authority to require that covered institution to use the reporting template for larger institutions with total consolidated assets of \$50 billion or more. The OCC may also, on a case-by-case basis, require a covered institution with assets of \$50 billion or more to report stress test results using a simpler format to be specified by the OCC.

The revisions to the DFAST-14A reporting templates consist of adding data items, deleting data items, and redefining existing data items. These changes will (1) provide additional information to greatly enhance the ability of the OCC to analyze the validity and integrity of firms' projections, (2) improve comparability across firms, and (3) increase consistency between the FR Y-14A reporting templates and DFAST-14A reporting templates. The OCC has conducted a thorough review of the changes and believes that the incremental burden of these changes is justified given the need for these data to properly conduct the OCC's supervisory responsibilities related to the stress testing.

3. Use of Improved Information Technology and Burden Reduction

⁷ 12 U.S.C. 5365(i)(2)(B).

Respondents may use any method of improved technology that meets the requirements of the collection.

4. Efforts to Identify Duplication and Use of Similar Information

The required information is unique and is not duplicative of any other information already collected.

5. Methods used to Minimize burden if the collection has a significant impact on Small Businesses or Other Small Entities

The information collection does not have a significant impact on a substantial number of small businesses or other small entities.

6. Consequences of Collecting the Information Less Frequently

The collection of information is required by Federal Statute. The consequences of collecting the information less frequently would prevent OCC from implementing Section 165(i)(2) of the Dodd-Frank Wall Street Reform and Consumer Protection Act.⁸

7. Special Circumstances Relating to the Guidelines of 5 CFR 1320.5

The information collection would be conducted in a manner consistent with 5 CFR Part 1320.5.

8. Comments in Response to the Federal Register Notice and Efforts to Consult Outside the Agency

On August 20, 2013, the OCC published notice of its intention to revise these templates. 78 FR 51272. One comment was received raising several technical and reference issues. The OCC has made minor technical edits to correct potential errors in the templates.

9. Explanation of Any Payment or Gift to Respondents

OCC has not provided and has no intention to provide any payment or gift to respondents under this information collection.

10. Assurance of Confidentiality Provided to Respondents

The information collection request will be kept private to the extent permissible by law.

11. Justification for Sensitive Questions

⁸ Public Law 111-203, 124 Stat. 1376, July 2010

No PII collected/Not applicable

12. Estimates of Annualized Burden Hours and Costs

Reporting Templates	No. of Respondents	No. of Responses per Respondent	Annual No. of Responses	Burden per Response	Total Hours ⁹
OCC DFAST-14A Summary Schedule	23	3	1	343	11,834
OCC DFAST-14A Counterparty Risk Template	4	1	1	420	840
OCC DFAST-14A RegCap Transitions Template	23	1	1	22	253
OCC DFAST-14A Regulatory Capital Template	23	1	1	40	460
OCC DFAST-14A Operational Risk Template	23	1	1	28	322
OCC DFAST-14A Scenario Template	23	1	1	31	357
OCC DFAST-14A Contact Template	23	1	1	22	253
50B or More Template Total					14,319

13. Estimates of Annual Cost Burden to Respondents and Record Keepers

Total annual cost burden:

- (a) Total annualized capital and start-up costs associated with the Templates are estimated to be \$0 (zero dollars). In general, reporting on the Templates requires neither specialized capital equipment, nor fixed or variable costs that are not already associated with the customary and usual business practices of respondents.
- (b) Total annualized operations, maintenance, and purchases of services costs are estimated to be \$0 (zero dollars). Reporting on the forms does not in general impose operations, maintenance, or specialized services costs that are not already associated with the customary and usual practices of respondents.

The above cost estimates are not expected to vary widely among respondents.

14. Annualized Cost to the Federal Government

OCC estimates no annualized cost to the Federal government.

15. Explanation for Program Changes or Adjustments

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Prior Burden: 10,436 hours.

Proposed Burden: 14,319 hours.

Difference: +3,883 hours.

The change in burden is due to the revision of the templates to incorporate new bank capital rules. The increase in burden is a product of the greater complexity of the new capital rules, which are intended to provide a more sophisticated measurement of bank capital.

The total hours for each template have been halved to reflect adjustments for economies of scale. These same adjustments were also included in the templates submitted and approved in 2012 in collection No. 1557-0311.

16. Plans for Tabulation and Publication and Project Time Schedule

There are no publications.

17. Reason(s) Display of OMB Expiration Date is Inappropriate

The agency is not seeking to display the expiration date of OMB approval of the information collection.

18. Exceptions to Certification for Paperwork Reduction Act Submissions

There are no exceptions to the certification.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

The collection of this information does not employ statistical methods. Statistical methods are not appropriate for the type of information collected and would not reduce burden or improve accuracy of results.