SUPPORTING STATEMENT

Consolidated Reports of Condition and Income

FFIEC 031 and 041
(OMB No. 3064-0052)

INTRODUCTION

The Federal Deposit Insurance Corporation (FDIC) is submitting for Office of Management and Budget (OMB) review changes to the Federal Financial Institutions Examination Council (FFIEC) Consolidated Reports of Condition and Income (Call Report) filed quarterly by FDIC-supervised banks and savings associations (collectively, institutions). The proposed revisions to the Call Report that are the subject of this request, which would involve quarterly reporting unless otherwise indicated, and their effective dates are summarized as follows

- Effective March 31, 2014, institutions would begin to report:
    - Information about international remittance transfers, which would be collected initially as of March 31, 2014, and, in general, semiannually thereafter as of each June 30 and December 31 (new item 16 of Schedule RC-M, Memoranda). All institutions would respond to yes-no questions about remittance transfer activity, and institutions with more than 100 transactions per calendar year would report the estimated number and dollar value of remittance transfers;
    - Any trade names (other than an institution's legal title) used to identify physical offices and the addresses of any public-facing Internet Web sites (other than the institution's primary Internet Web site address, which is currently reported) at which the institution accepts or solicits deposits from the public (revised item 8 of Schedule RC-M);
    - A response to a yes-no question asking whether the reporting institution offers any deposit account products (other than time deposits) primarily intended for consumers (new Memorandum item 5 of Schedule RC-E, Deposit Liabilities); and
    - For institutions with $1 billion or more in total assets that offer one or more deposit account products (other than time deposits) primarily intended for consumers, the total balances of these consumer deposit account products (new Memorandum items 6 and 7 of Schedule RC-E).
- Effective March 31, 2015, institutions with $1 billion or more in total assets that offer one or more deposit account products (other than time deposits) primarily intended for consumers would begin to report the amount of income earned from each of three categories of service charges on their consumer deposit account products (new Memorandum item 15 of Schedule RI, Income Statement). This income is included in total year-to-date service charges on deposit accounts, which institutions currently report in Schedule RI, item 5.b.

The Federal Reserve Board (FRB) and the Office of the Comptroller of the Currency (OCC) are also submitting these changes for OMB review for the banks and savings associations under their supervision.

JUSTIFICATION

1. Circumstances and Need

Section 7 of the Federal Deposit Insurance Act requires all insured depository institutions to submit four "reports of condition" each year to their primary federal bank supervisory authority, i.e., the FDIC, the OCC, or the FRB, as appropriate. FDIC-supervised institutions, i.e., insured state nonmember banks and state savings associations, submit these reports to the FDIC. The FDIC uses the quarterly Call Reports to monitor the condition and performance of individual institutions and the industry as a whole. In addition, Call Reports provide the FDIC with the most current statistical data available for evaluating depository institution corporate applications such as mergers; identifying areas of focus for both on-site and off-site examinations; calculating all insured institutions' deposit insurance and Financing Corporation assessments; and other public purposes.

Within the Call Report information collection system, separate sets of forms apply to institutions that have domestic and foreign offices (FFIEC 031) and to institutions with domestic offices only (FFIEC 041).

The amount of data required to be reported varies between the two versions of the report forms, with the report forms for institutions with domestic and foreign offices (FFIEC 031) having more data items than the report forms for institutions with domestic offices only (FFIEC 041). Furthermore, the amount of data required to be reported varies within the FFIEC 041 report form, primarily based on the size of the institution, but also in some cases based on activity levels. In general, the FFIEC 041 report form requires the least amount of data from institutions with less than $100 million in total assets.

The reasons for the changes that are the subject of this submission are described in detail in the agencies' initial and final Paperwork Reduction Act (PRA) Federal Register notices (78 FR 12141, February 21, 2013, and 79 FR 2509, January 14, 2014, respectively).

2. Use of Information Collected

The information collected in the Call Reports is used by the FDIC and the other federal banking agencies both on an individual institution basis and in aggregate form for supervisory, surveillance, regulatory, research, statistical, insurance assessment, consumer protection, informational, and other public policy purposes. Call Report data for all institutions, not just the institutions under an individual banking agency's primary supervision, are available to each of the three banking agencies in order for each agency to have access to information for the insured depository institution system as a whole.

The FDIC uses the data collected in the Call Reports extensively for supervisory and surveillance purposes in an effort to detect at an early date those institutions that are experiencing deterioration or some other significant change in their condition. The underlying basis for this activity at the FDIC, as well as at the OCC and the FRB, is the goal of maintaining a safe and sound banking system and reducing the possibility of the failure of individual institutions and the concomitant exposure of the Deposit Insurance Fund administered by the FDIC. The FDIC has two major surveillance programs (EWS and UBPR) for its use in performing off-site evaluation of the condition of banks and savings associations. In addition, various quarterly management and supervisory reports used for off-site monitoring capabilities are available in web-based systems like ViSION (Virtual Supervisory Information on the Net) and distributed systems like ARIS (Automated Regional Information System).

<u>Early Warning Systems (EWS)</u> – The EWS is the FDIC's umbrella of off-site surveillance models that are used to monitor the condition of insured institutions between regular on-site examinations. Data collected from each institution's Call Report are subjected to a screening process in the EWS known as SCOR (Statistical CAMELS Off-site Rating). SCOR is an off-site model for insured institutions that compares an institution's financial condition against examination ratings for comparable financial institutions. SCOR derives a rating for each component of the Uniform Financial Institutions Rating System (UFIRS). The composite and component ratings are then compared to those given at the last examination and a downgrade probability is derived for each institution. Those institutions whose downgrade probability exceeds a specified level are subject to supervisory follow-up procedures including the prompt scheduling of examinations or visitations. The FDIC also has developed two off-site rating tools called GMS (Growth Monitoring System) and REST (Real Estate Stress Test) in order to effectively and efficiently monitor risk to the banking and thrift system. GMS identifies institutions that may pose greater risks due to rapid growth and/or funding issues. GMS places institutions into percentile rankings based on GMS scores. Those with the highest GMS scores are subject to formal off-site review requirements similar to SCOR. REST identifies institutions with high concentrations of commercial real estate and other exposures similar to the exposure characteristics of problem institutions and institutions that failed during the New England crisis of the late 1980s and early 1990s.

Another part of the EWS includes the Uniform Bank Performance System (UBPS). The UBPS is an on-line support subsystem that calculates for each institution approximately 300 financial ratios and accompanying peer group and ranking data and presents this information in a manner consistent with the Uniform Bank Performance Report, which is discussed below. The UBPS covers the most recent and preceding 15 quarters.

<u>Uniform Bank Performance Report (UBPR)</u> – This report is prepared quarterly for each insured institution from Call Report data and presents information for five periods on an institution's performance and financial statement composition in the form of ratios, percentages, and dollar amounts. Each UBPR also includes corresponding average data for the institution's peer group and percentile rankings for most ratios. The comparative and trend data contained in these reports complement the EMS data and are utilized for further off-premises review of individual institutions, particularly at the field office level. Based on an analysis of the information in the UBPR, an examiner can set the priorities for the examination of an individual institution. An institution's condition can then be evaluated during the examination in light of its recent trends and the examiner's findings can be communicated to the institution's management. Management can verify this trend data for itself in the institution's own UBPRs. UBPRs are available on-line on the Internet for access by institutions, regulators, and the public.

<u>ViSION and ARIS</u> – ViSION is a secure web-enabled system that was developed as a comprehensive and easy-to-use reporting source for the FDIC's supervisory and financial data. The system provides FDIC users with multiple reports that display information for a specific institution or set of institutions. ViSION provides users the ability to retrieve various supervisory and off-site reports. These various management reports are used to assist in off-site monitoring efforts and are reviewed at the regional or field office level on a regular basis. ARIS is a localized database and reporting system that includes many levels of drill-down management and supervisory reporting.

Through the use of monitoring and surveillance systems that rely on Call Report information, the FDIC is able to more effectively and efficiently allocate resources to those institutions experiencing difficulties. Also, FDIC policy requires examiners to use information from Call Reports as well as data available from monitoring and surveillance systems to assist in their pre-examination planning activities. Through pre-examination planning, examiners can determine the areas of an institution's operations and activities on which to focus their attention during their time on-site at the institution. Moreover, effective pre-examination planning can help to limit the amount of time examiners need to spend on-site during an examination. These efforts would not be feasible if Call Reports, with their emphasis on the collection of data for supervisory and surveillance purposes, were not available on a quarterly basis.

Call Reports also provide the most current statistical data available for evaluating statutory factors relating to the FDIC's consideration of institutions' applications for deposit insurance and for consent to merge, establish a branch, relocate an office, and retire capital. The amount of each individual institution's deposit insurance and Financing Corporation assessments is calculated directly by the FDIC from the data reported on the institution's Call Report. In addition, under the FDIC's risk-related insurance assessment system, Call Report data are used to help determine the risk category to which each insured institution should be assigned. The FDIC's Division of Insurance and Research uses data collected in the Call Reports to prepare quarterly reports on the condition and performance of the banking system and for numerous economic studies and analyses of trends in banking that are incorporated into reports submitted to Congress and made available to the public.

The uses of the new information to be collected in the Call Report as a result of the changes that are the subject of this submission are described in the agencies' initial and final PRA Federal Register notices cited at the end of Item 1 above. In this regard, the new items on remittance transfers will enhance the FDIC's ability to provide supervisory oversight over FDIC-supervised institutions subject to the Consumer Financial Protection Bureau's remittance transfer rule that took effect October 28, 2013, and to monitor consumer payment industry trends, including market entry and exit. The data to be collected in the Call Report regarding the services offered and systems used by individual institutions also could assist the FDIC in refining supervisory procedures and policies related to the remittance transfer rule. The data proposed to be collected from institutions with $1 billion or more in total assets on the total balances in any transaction account and nontransaction savings account deposit products intended primarily for individuals for consumer use is intended to enhance the FDIC's ability to monitor consumer use of deposit accounts as transactional, savings, and investment vehicles and to assess liquidity risk and funding stability at individual institutions. The proposed reporting of year-to-date income earned from three types of service charges on transaction account and nontransaction savings account deposit products intended primarily for individuals for consumer use, which also would be applicable only to institutions with $1 billion or more in total assets and will not take effect until March 31, 2015, will help the FDIC better monitor the types of transactional costs borne by consumers at the institutions in this size range that offer consumer deposit account products and assist examiners in assessing the earnings stability of these institutions. Finally, the information that institutions would report on physical office trade names and Internet Web site addresses will enable the FDIC to more effectively serve as an information resource for depositors and the public concerning the insured status of a physical branch office that uses a trade name rather than the legal name of an insured institution or an Internet Web site address other than the institution's primary Web site address.

3. Use of Technology to Reduce Burden

All banks and savings associations are subject to an electronic filing requirement for Call Reports. In this regard, the agencies have created a secure shared database for collecting, managing, validating, and distributing Call Report data. This database system, the Central Data Repository (CDR), was implemented in 2005 and is the only method now available for banks and savings associations to submit their Call Report data. Under the CDR system, institutions file their Call Report data via the Internet using software that contains the FFIEC's edits for validating Call Report data before submission.

4. Efforts to Identify Duplication

There is no other report or series of reports that collects from all insured banks and savings associations the information gathered through the Consolidated Reports of Condition and Income taken as a whole. There are other information collection systems which tend to duplicate certain parts of the Call Report; however, the information they provide would be of limited value as a replacement for the Call Report.

For example, the FRB collects various reports in connection with its measurement of monetary aggregates, bank credit, and the flow of funds. Reporting institutions supply the FRB with detailed information relating to such balance sheet accounts as balances due from depository institutions, loans, and deposit liabilities. The FRB also collects financial data from bank holding companies on a regular basis. Such data is presented for the holding company on a parent company only basis and, if certain conditions are met, on a consolidated basis, including the holding company's banking and nonbanking subsidiaries.

However, FRB reports from insured institutions are frequently obtained on a sample basis rather than from all insured institutions. Moreover, these reports are often prepared as of dates other than the last business day of each quarter, which would seriously limit their comparability to the Call Report. Institutions below a certain size are exempt entirely from some FRB reporting requirements. FRB data collected from bank holding companies on a consolidated basis reflect an aggregate amount for all subsidiaries within the organization, both banking and nonbanking, so that the actual dollar amounts applicable to any depository institution subsidiary are not determinable from the holding company reports. Hence, FRB reports could not be a viable replacement for even a significant portion of the Call Reports since the FDIC, in its role as supervisor of insured state nonmember banks and state savings associations, would be lacking the data necessary to assess the financial condition of individual insured institutions to determine whether there had been any deterioration in their condition.

As another example, insured institutions with either 500 or more, or 2,000 or more, shareholders (depending on charter type) or with a class of equity securities listed on a securities exchange are required by the Securities Exchange Act of 1934, as amended in 2012 by the Jumpstart Our Business Startups Act, to register their stock with their primary federal banking agency. Following the effective date of the stock registration, quarterly and annual reports, which contain financial statements, must be filed with the appropriate banking agency. Of the approximately 4,325 FDIC-supervised banks and savings associations, less than 25 have stock that is registered with the FDIC pursuant to the Securities Exchange Act. For this small number of registered institutions, quarterly and annual reports generally need not be filed until as many as 45 days and 90 days after the report date, respectively, while Call Reports generally must be received no later than 30 days after the report date. Moreover, the Call Reports have a fixed format to permit industry data aggregation by computer and automated monitoring of each individual institution’s performance and condition. The financial statement format for registered institutions is generally comparable to that of the Call Report, but each institution has the flexibility to expand or contract the level of detail on individual items as circumstances warrant. Such free-form reporting would make it extremely difficult for the FDIC to substitute these registered institutions’ quarterly and annual reports for Call Reports.

Finally, some of the information contained in the Call Report is also developed by FDIC examiners during regular safety and soundness examinations of insured institutions. In addition, examiners check the Consolidated Reports of Condition and Income that an institution has submitted to the FDIC between examinations to ensure that the required data have been properly reported. However, using the examination process to develop quarterly Call Report data would be unworkable since one of the principal purposes of the supervisory and surveillance emphasis on the use of these data is for off-site monitoring of the condition and performance of individual institutions between examinations. Furthermore, examinations are conducted as of various dates throughout the year and at differing time intervals for different institutions. Thus, the examination process could not supply the banking agencies with financial data on a timely basis for all insured institutions as of fixed dates each year.

5. Minimizing the Burden on Small Institutions

Pursuant to regulations issued by the Small Business Administration (13 CFR 121.201), a “small entity” includes depository institutions with assets of $500 million or less. There are currently 4,325 insured state nonmember banks and state savings associations that are supervised by the FDIC. Of this number, approximately 3,600 have total assets of $500 million or less. As stated in Item 1 of this supporting statement, the Call Report requires the least amount of data from institutions with less than $100 million in total assets. The next least amount of data is collected from institutions with $100 million to $300 million in total assets. Exemptions from reporting certain Call Report data also apply to institutions with less than $500 million and $1 billion in total assets. Other exemptions are based on activity levels rather than total assets and these activity-based thresholds tend to benefit small institutions.

To limit reporting burden, the proposed Call Report revisions that are the subject of this request include information on consumer deposit account balances and consumer deposit account service charge income that will be collected only from institutions with $1 billion or more in total assets. In addition, institutions with 100 or fewer international remittance transfers per calendar year, which will tend to be small institutions, will be exempt from the proposed reporting of the estimated number and dollar value of remittance transfers.

6. Consequences of Less Frequent Collection

Less frequent collection of Call Reports would reduce the FDIC's ability to identify on a timely basis those institutions that are experiencing adverse changes in their condition so that appropriate corrective measures can be implemented to restore their safety and soundness. Such identification cannot be accomplished through periodic on-site examinations alone. To allocate its examination resources in the most efficient manner, off-site analysis of Call Report data to single out institutions in need of accelerated on-site follow-up must be performed (see Item 2 above). Submission of the Consolidated Reports of Condition and Income less frequently than quarterly would permit deteriorating conditions at institutions to fester considerably longer before they would be detected through the FDIC's computer-based monitoring systems, through the fortunate scheduling of an examination, or by other means. Such institutions would therefore run a greater risk of failure because of delays in effecting corrective action, either on institution management's own initiative or at the behest of the FDIC.

7. Special Circumstances

There are no special circumstances.

8. Summary of Public Comments

On February 21, 2013, the agencies published an initial PRA Federal Register notice (78 FR 12141) requesting comment on a number of proposed revisions to the Call Report for implementation as of the June 30, 2013, report date, except for one new annual data item proposed to be added to the Call Report effective December 31, 2013. The agencies collectively received comments on their proposal from 33 entities: 20 banking organizations, seven bankers' associations, four consumer advocacy organizations, one life insurers' association, and one government agency.

After considering the comments received on their February 2013 Federal Register notice, the agencies announced in the Federal Register on May 23, 2013 (78 FR 30922) that they were proceeding at that time only with two of the proposed Call Report revisions. The effective date of those two reporting changes, which were approved by OMB, was June 30, 2013, as had been proposed.

As for the other new data items that had been proposed in the February 2013 Federal Register notice to be added to the Call Report effective June 30, 2013 (and the one new annual data item proposed to be collected beginning December 31, 2013), the agencies stated in their May 2013 Federal Register notice that they and the FFIEC were continuing to evaluate these remaining proposed Call Report changes in light of the comments received.

The FFIEC and the agencies completed their evaluation of the reporting proposals remaining from the February 2013 proposal in the fourth quarter of 2013. In addition to reviewing the comments submitted in response to the agencies' initial PRA Federal Register notice, the FFIEC and the agencies gathered additional feedback from meetings with bankers' associations, reporting institutions, and depository institution data processors.

The FFIEC and the agencies have modified the reporting changes that were proposed in February 2013 in response to comments and feedback received on the proposal, including concerns about reporting burden. Although originally proposed to take effect in June 2013, these reporting changes have been delayed until March 2014 and, in one case, until March 2015. With respect to the reporting of data on international remittance transfers, the FFIEC and the agencies decided to narrow the scope of the data collection, reduce its frequency from quarterly to semiannually (and annually, for one subitem) after the initial collection, and permit the estimation of the number and dollar value of remittance transfers. Although the FFIEC and the agencies are proposing to implement the reporting of the total balances in specified types of consumer deposit account products largely as proposed, including retaining the exemption from reporting these data for institutions with less $1 billion in total assets, the agencies are making clarifying edits to the draft Call Report instructions for these proposed new items to address comments received. As for the proposed reporting of year-to-date income earned from each of three categories of service charges on consumer deposit account products, the FFIEC and the agencies considered the comments and feedback received and decided to exempt institutions with less than $1 billion in total assets from this reporting requirement, defer the effective date for reporting these data until March 31, 2015, and also make clarifications to the draft reporting instructions for these proposed new items. Similarly, instructional clarifications are being made to the proposed new items for physical office trade names and Internet Web site addresses. Finally, the agencies decided not to implement at this time the proposed annual item for the total consolidated liabilities of an institution's parent depository institution holding company that is not a bank or savings and loan holding company.

For a further description of the comments received on the Call Report revisions that are the subject of this submission when they were published for comment in the agencies' February 2013 initial PRA Federal Register notice and the agencies' responses to those comments, please refer to the agencies' final PRA Federal Register notice published on January 14, 2014 (79 FR 2509).

In their January 14, 2014, final PRA Federal Register notice, the agencies requested comment on the proposed Call Report revisions that are the subject of this submission after they had been modified in response to the comments and feedback received on the agencies' initial February 2013 proposal. The agencies received two comments from banking organizations and one comment from a bankers' association. The commenters primarily raised concerns about the cost and potential burden of implementing the data collections related to consumer deposit account balances and service charges. One banking organization also raised cost and burden concerns about the collection related to remittance transfers. As mentioned above and as more fully discussed in the agencies' January 14, 2014, final PRA Federal Register notice, the agencies responded to similar comments received on their February 2013 initial PRA Federal Register notice by establishing an asset size threshold for reporting certain information, narrowing the scope and reducing the frequency of remittance transfer reporting, and postponing the collections to reduce the immediate burden on reporting institutions. The agencies considered the commenters' concerns, but do not believe they necessitate any additional modifications to the reporting changes proposed in the agencies' January 14, 2014, final PRA Federal Register notice. Therefore, the agencies decided not to make any changes to the final collection that is the subject of this submission.

The agencies also published a separate final PRA Federal Register notice on January 14, 2014 (79 FR 2527), pertaining to certain proposed regulatory capital reporting changes to Call Report Schedule RC-R, Regulatory Capital, and the FFIEC 101, Regulatory Capital Reporting for Institutions Subject to the Advanced Capital Adequacy Framework.[1] The agencies' initial PRA Federal Register notice for this regulatory capital reporting proposal had been published in the Federal Register on August 12, 2013 (78 FR 48932). The proposed regulatory capital reporting changes that were the subject of these initial and final PRA Federal Register notices were previously submitted to OMB for review and approval.[2]

The agencies received one comment letter from a banking organization in response to their January 2014 final PRA Federal Register notice on the proposed regulatory capital reporting changes to Call Report Schedule RC-R and the FFIEC 101. The commenter addressed the netting of mortgage servicing assets (MSAs) and related deferred tax liabilities (DTLs) for purposes of calculating risk-weighted assets. The agencies' proposed draft regulatory capital reporting instructions specify that MSAs and DTLs may not be netted for purposes of calculating risk-weighted asset amounts. The commenter expressed concern that the proposed instructions did not permit MSA and DTL netting for purposes of this calculation while permitting it for purposes of calculating regulatory capital deductions and adjustments.

The agencies considered this risk-weighting issue in connection with questions raised in comments submitted by a bankers' association in response to the agencies' August 2013 initial PRA Federal Register notice, one of which sought clarification of the reporting of the risk-weighted portion of an item, such as MSAs, subject to deduction in Schedule RC-R. After joint deliberation on this issue, the agencies concluded that the netting of DTLs against MSAs is

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[1] For the FDIC, OMB Number 3064–0159.

[2] ICR Reference No: 201401-3064-012 for the Call Report and ICR Reference No: 201312-3064-006 for the FFIEC 101.

appropriate only for purposes of calculating the amount of MSAs that is subject to deduction from capital under the agencies' revised regulatory capital rules, but is not appropriate for risk-weighting purposes. This conclusion is consistent with the agencies' interpretation of section 22(d)(2), including footnote 24, and section 32(l)(4) of the agencies' revised regulatory capital rules.[3] Thus, the agencies propose to retain the draft instructions describing the reporting, for risk-weighting purposes, of items, such as MSAs, against which DTLs may be netted when determining regulatory capital deductions, consistent with the discussion of this matter in the agencies' January 2014 final PRA Federal Register notice.

9. Payment or Gift to Respondents

No payment or gift will be provided to respondents.

10. Confidentiality

At present, all data items collected from individual institutions in the Call Report are publicly available with the exception of the amounts institutions report in Schedule RI-E, item 2.g, "FDIC deposit insurance assessments"; Schedule RC-F, item 6.f, "Prepaid deposit insurance assessments" (which will be removed from the Call Report effective June 30, 2013); and Schedule RC-P, items 7.a and 7.b, for representation and warranty reserves for 1-4 family residential mortgages sold made to specified parties; and the information that large and highly complex institutions report on criticized and classified items, nontraditional 1-4 family residential mortgage loans, higher-risk consumer loans, higher risk commercial and industrial loans and securities, top 20 counterparty exposures, and largest counterparty exposure for assessment purposes in Schedule RC-O, Memorandum items 6 through 9, 14, and 15, which are used as inputs to scorecard measures in the FDIC's deposit insurance assessment system for large institutions and highly complex institutions. The data reported by large institutions and highly complex institutions in Schedule RC-O, Memorandum item 18, which is a table of consumer loans by loan type and probability of default band, also is treated as confidential on an individual institution basis. In addition, contact information for depository institution personnel that is provided in institutions' Call Report submissions is not available to the public.

11. Information of a Sensitive Nature

The Call Report contains no questions of a sensitive nature.

12. Estimate of Annual Burden

It is estimated that, on average, it will take an FDIC-supervised institution approximately 42.75 hours each quarter to prepare and file its Call Report on an ongoing basis as it is proposed to be revised. This estimate reflects the average ongoing reporting burden for all

[3] 78 FR 62018 (Oct. 11, 2013) (OCC and FRB) and 78 FR 55340 (Sept. 10, 2013) (FDIC).

FDIC-supervised institutions after the implementation of the proposed revisions to the Call Report that will take effect March 31, 2014, and March 31, 2015. At that time, the estimated annual ongoing reporting burden for the 4,325 FDIC-supervised institutions to prepare and file the Call Report would be 739,575 hours.

The annual ongoing reporting burden has been estimated by considering the varying numbers of Call Report data items potentially reportable by institutions of different sizes and with foreign offices and the extent to which such institutions will actually have amounts to report in these data items as a result of the activities and transactions in which they are engaged. Then, based on the agency staff's understanding of institutions' recordkeeping and reporting systems and their customary and usual business practices, professional judgment has been applied to arrive at a burden estimate for the Call Report. The average ongoing reporting burden to prepare and file the Call Report, as it is proposed to be revised, is estimated to range from 18 to 750 hours per quarter, depending on an individual institution's circumstances.

For all FDIC-insured institutions, year-to-date Call Report data as of September 30, 2013, indicate that salaries and employee benefits per full-time equivalent employee averaged nearly $44.00 per hour. Thus, for all 4,325 FDIC-supervised institutions, the annual recurring salary and employee benefit cost for the Call Report burden hours shown above is estimated to be $32.5 million. This cost is based on the application of the $44.00 average hourly rate to the estimated total ongoing annual reporting burden of 739,575 hours.

13. Estimate of Total Annual Cost Burden

Depository institutions maintain extensive internal recordkeeping systems from which financial statements and tax returns are prepared and other reports are generated so that institution management can keep informed about their institution's condition and performance, monitor operational data associated with various business activities in which they are engaged, and have the financial and other information necessary to operate their institution in a safe and sound manner. These records also serve as a source for the data submitted in the Call Reports, although institutions generally maintain some records solely to enable them to complete these reports. Computerized institutions commonly have software and programs that compile the data that need to be reported in the Call Report. An institution's records may be generated and processed internally, externally by an outside servicer, or by a combination of both methods. In addition, virtually all institutions now use software to assist in the actual preparation of the Call Report.

The estimate of annual burden cited above in Item 12 is primarily the estimated ongoing burden for the quarterly filing of the Call Report as it is proposed to be revised. The total operation and maintenance and purchase of services component of the total annual cost burden to FDIC-supervised institutions (excluding costs included in Item 12 above) is estimated to be $20.3 million. This cost is based on the application of an average hourly rate of $27.50 to the estimated total hours of annual reporting burden of 739,575. Thus, this estimate reflects recurring expenses (not included in Item 12 above) incurred by all FDIC-supervised institutions in the Call Report preparation and filing process, including expenses associated with software, data processing, and institution records that are not used internally for management purposes but are necessary to complete the Call Report.

The Call Report revisions that are the subject of this submission include information on consumer deposit account balances and consumer deposit account service charge income, but institutions with less than $1 billion in total assets (which represent about 92 percent of all FDIC-supervised institutions) would be exempt from these reporting requirements. The reporting of consumer deposit account balance data is limited to balances associated with distinct transaction and nontransaction savings deposit products specifically intended for consumer use, which would enable institutions that offer such accounts to utilize the same totals maintained on their deposit systems of record and in their internal general ledger accounts to provide the balance data. With respect to the reporting of service charge income, representatives of three major deposit platform core processing service providers informed the agencies that the systems used by many institutions today are capable of supporting the tracking and reporting of deposit fees by type of fee and are capable or could be made capable of supporting the tracking and reporting of deposit fees by type of depositor. To accommodate any necessary systems changes for the institutions with $1 billion or more in total assets to which the service charge income reporting requirement would apply, the agencies have delayed the effective date of this Call Report change until March 31, 2015. In addition, institutions with 100 or fewer international remittance transfers per calendar year, which will tend to be small institutions, will be exempt from the proposed reporting of the estimated number and dollar value of remittance transfers. Nevertheless, the capital and start-up costs associated with the Call Report changes that are the subject of this submission will vary from institution to institution depending upon an institution's asset size and individual circumstances. Thus, an estimate of this cost component cannot be determined at this time. Similarly, the incremental additional reporting burden arising from these Call Report changes will vary across institutions depending on their asset size and individual circumstances, especially because of the exemption from reporting consumer deposit-related information for institutions with less than $1 billion in total assets. For an FDIC-supervised institution, it is estimated that the ongoing reporting burden associated with the new reporting requirements that are proposed to take effect as of March 31, 2014, and March 31, 2015, will increase the overall reporting burden of the Call Report, on average, by nearly three quarters of an hour per response.

14. Estimate of Total Annual Cost to the Federal Government

The current annual cost to the FDIC of the Call Report information collection system is estimated to be not more than $10.0 million. This amount includes the cost of:

- developing reporting requirements, instructions, and data validation edits;
- computer processing and hosting, including maintaining and modifying software programs, associated with the CDR system for collecting and validating Call Reports; and
- FDIC personnel involved in the preceding tasks and in the review and validation of reported data.

The cost to implement the Call Report revisions that are the subject of this submission is encompassed within this annual cost and is not separately identifiable.

15. Reason for Change in Burden

The change in burden associated with this submission is caused by the proposed changes to the Call Report that are the subject of this submission.

At present, there are 4,325 FDIC-supervised institutions. As mentioned in Item 13 above, the FDIC estimates that the overall effect of the proposed revisions to the Call Report across the full range of institutions under its supervision would be an average increase in the burden estimate of nearly three quarters of an hour per response. The analysis of the change in burden for the Call Report as it is proposed to be revised effective March 31, 2014, and March 31, 2015, is as follows:

Currently approved burden	726,946 hours
Adjustment (change in use)	0 hours
Revisions to content of report (program change)	+ 12,629 hours
Requested (new) burden	739,575 hours
Net change in burden	+ 12,629 hours

16. Publication

The information collected in Call Reports from FDIC-supervised institutions is primarily intended to meet the FDIC's internal needs (see Item 2 above). However, except for the limited number of Call Report data items and the depository institution contact information identified in Item 10 above as receiving confidential treatment, the agencies makes individual institutions' entire Call Reports available to the public on the Internet as soon as the data have been submitted, placed in an accepted status, and prepared for publication in the CDR. These data can be accessed on the FFIEC CDR Public Data Distribution Web site (https://cdr.ffiec.gov/public/). In addition, beginning 45 calendar days after the report date, bulk data files containing the publicly available data items reported by all institutions that filed Call Report data are available on the FFIEC CDR Public Data Distribution Web site by selecting the "Download bulk data" feature. As an alternative, interested persons can purchase a computer tape containing the publicly available quarterly Call Report information for all institutions from the National Technical Information Service of the U.S. Department of Commerce.

Summary statistical data that provide a financial profile of each individual FDIC-insured institution also are available to the public on the Internet. The financial information is taken from the Call Report (and, through December 31, 2011, the Thrift Financial Report (TFR) for

FDIC-insured savings associations) and includes balance sheet, income statement, and other key data for several periods. Regulatory capital ratios and profitability ratios such as return on assets and return on equity also are provided.

Data from the Call Report (and, through December 31, 2011, the TFR for FDIC-insured savings associations) also form the basis for certain quarterly FDIC publications, including the Quarterly Banking Profile, Statistics on Banking, and Statistics on Depository Institutions, which present a variety of statistical data on the banking industry. These publications are available on the Internet.

The UBPR, which the agencies process using the CDR system, uses Call Report data as the primary inputs to its production. The UBPR is also publicly available for individual banks (and for individual savings associations beginning with the March 31, 2012, report date) on the FFIEC CDR Public Data Distribution Web site.

17. Display of Expiration Date

Not applicable.

18. Exceptions to Certification

None.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.