

SUPPORTING STATEMENT
COVERED FINANCIAL COMPANY ASSET PURCHASER ELIGIBILITY
OMB No. 3064-0194

INTRODUCTION

The FDIC requests OMB approval for the collection of information captioned above. The Covered Financial Company Asset Purchaser Eligibility information collection implements the statutory requirement that assets held by the FDIC in the course of liquidating any covered financial company not be sold to persons who contributed to the demise of a covered financial company in specified ways.

A. JUSTIFICATION

1. Circumstances and Need

The FDIC is statutorily required to promulgate a regulation prohibiting the sale of assets of a covered financial company 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 covered financial companies from the FDIC. (Section 210(r) of the Dodd-Frank Act, 12 U.S.C. 5390(r)). The statutory requirement is implemented by a final rule, “Restrictions on sale of assets of a covered financial company by the Federal Deposit Insurance Corporation,” 12 CFR Part 380. The final rule requires prospective purchasers to complete and submit a Purchaser Eligibility Certification (PEC) to the FDIC. The PEC is a self-certification by a prospective purchaser that it does not fall into any of the categories of individuals or entities that are prohibited by statute or regulation from purchasing the assets of covered financial companies. The PEC will be required in connection with the sale of assets by the FDIC as receiver for a covered financial company.

2. Use of Information Collected

The FDIC uses the information collected to ensure compliance with the statutory requirements before each sale of assets.

3. Use of Technology to Reduce Burden

It is anticipated that this form may be submitted via hard copy or electronic media.

4. Efforts to Identify Duplication

There is no duplication. The information is not available elsewhere.

5. Minimizing the Burden on Small Banks

The rule is unlikely to have a significant economic impact on a substantial number of small entities because a covered financial company is, in general, likely to be a large entity with more than \$50 billion in assets. A covered financial company is likely to be sold in major components, such as subsidiaries or business lines. It is therefore unlikely that small entities will be prospective purchasers of covered financial company assets in an orderly liquidation under Title II of the Dodd-Frank Act.

6. Consequences of Less Frequent Collection

As a result of the statute's prohibition, each purchase of assets of a covered financial company from the FDIC requires a determination that the prospective purchaser is not prohibited from purchasing.

7. Special Circumstances

There are no special circumstances.

8. Consultation with Persons Outside the FDIC

In its notice of proposed rulemaking, published on November 6, 2013 (78 FR 66661), the FDIC requested comment on all aspects of the Covered Financial Company Asset Purchaser Eligibility information collection. Also, in conjunction with publication of the proposed rule, the FDIC submitted to OMB an information collection request for approval of the *Covered Financial Company Purchaser Eligibility Certification* form. In response to the information collection request, OMB filed a comment, directing the FDIC to examine public comment in response to the NPRM and describe in the supporting statement of its next submission any public comments received regarding the collection as well as why (or why it did not) incorporate the commenter's recommendation. Two comments, expressing general support for the rulemaking, were received by the FDIC. No comments were received regarding the PRA, including: whether the collections of information are necessary for the proper performance of the FDIC's functions, including whether the information has practical utility; the accuracy of the FDIC's estimates of the burden of the information collections, including the validity of the methodology and assumptions used, ways to enhance the quality, utility, and clarity of the information to be collected; and ways to minimize the burden of information collections on respondents, including through the use of automated collection techniques or other forms of information technology.

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: 10

Time per response: 30 minutes.

Total annual burden: 5 hours.

Estimate of annualized cost: 10 responses x .5 hour x \$80/hour = \$400.

13. Capital, Start-Up and Maintenance Costs

Not applicable.

14. Estimated Annual Cost to the Federal Government

10 responses x ½ hr review time = 5 hours x \$95/hr = \$475

(Note: this is not an increased cost to the government; it is included in salary expenses for staff that are already on board.)

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.