

SUPPORTING STATEMENT FOR
PAPERWORK REDUCTION ACT SUBMISSIONS
OMB No. 1510-0052

“Financial Institution Agreement and Application Forms for Designation as a Treasury Tax and
Loan Depository”

A. Justifications.

1. As part of the application process for being designated a Treasury Tax and Loan Depository (TT&L), financial institutions are required to complete FMS forms 458 and 459. The information is required to establish authority and responsibility for actions taken under the programs, including the posting of collateral. Federal Deposit Insurance Corporation (FDIC) statutes require certain information to preserve the Treasury’s interest in the collateral in the event that the FDIC is appointed the receiver or conservator.

The collection of information specifically is authorized by 31 C.F.R. 203.3(b) (2) and generally authorized by 31 CSC 321,323, 3122, 3301, 3302, 3720 and 12 USC 90, 265 and 391.

2. Financial institutions seeking designation as a TT&L depository, and their authority to maintain a TT&L account, are required to file these forms. Federal Reserve Banks and the Treasury Department use the information to evaluate the application and make the designation. Financial institutions may apply until accepted. Once accepted, financial institutions need not apply again, unless terminated from the program.

3. According to 12 USC 1823 (e), a written agreement executed by the financial institutions is required to preserve the Treasury’s interest in the collateral pledged in the event that the FDIC is appointed as the receiver or conservator. Original signatures are required and the financial institution’s seal must be embossed on the form. Currently, this information is not collected in an automated fashion.

4. Financial institutions whose applications are accepted need only apply once. Agreements are kept on file for the duration plus six years of the financial institution’s participation in the program. There is no similar information already collected or available.

5. The collection will not have a significant impact on a substantial number of small entities.

6. The form is necessary to designate the financial institutions as TT&L depositories under 31 CFR 203. Further, if the forms were not completed, Treasury will be unable to regulate the financial institution’s actions under 31 CFR 203, and to preserve Treasury’s interest in collateral pledged by the financial institution. Information is collected once for each financial institution accepted into the program, and therefore cannot be collected less frequently.

7. This collection requires financial institutions to maintain certain records for more than three years. (See 5 CFR 1320.6(f)). The forms and the minutes of a financial institutions meeting are to be maintained continuously as official records of the institution. Such records

specifically are required by the terms of 12 USC 1823(e) (1): this FDIC statute requires written information to preserve the Treasury's interest in the collateral in the event that the FDIC is appointed the receiver or conservator. Forms 458 and 459 are agreements establishing a TT&L depository relationship and the pledging of collateral. To ensure that preservation of the collateral, the records must be maintained for the extent of the relationship, which could be more than three years.

A financial institution that wants to establish a TT&L account must complete and furnish the application to an FRB for approval. The amount of time that the financial institution takes to complete the application is not monitored by the FRB. If the application, and the supporting document, is complete, the approval process within the FRB takes less than four business days.

8. A preclearance notice was published in the Federal Register on April 28, 2011, page 23859. No comments were received regarding this information collection.

FMS consulted with the Federal Reserve Bank of St. Louis, and other Federal Reserve Banks, for their views on the forms. The Federal Reserve Banks are signatories to form 458. Because the creation and maintenance of records are required by Treasury regulations, and necessitated by statute, (see above), no consultation with financial institutions on these topics was undertaken.

9. The respondents (applicants) do not receive any payment or gift from the U.S. government or the Federal Reserve System.

10. Information collected is not of a confidential nature.

11. There are not questions of a sensitive nature in the agreement.

12. Respondent hour burden: The two forms are filled out only once per depository. Each form requires approximately 15 minutes to complete at an estimated \$15 per hour lab one time postage and envelope fee is included in the total cost, and the storage cost is minimal for the three pages. The aggregate cost to all respondents is \$3,375.

The costs to the financial institutions were estimates for the time to read and complete the form, gather the required material and file them.

Separate burden estimate for each form:

458

- 450 new applicants estimated per year
- applicant applies once
- No annual burden after initial application except records retention (minimal)
- Burden is \$3.75 (\$15 per hour times 15 minutes per form.)

459

- 450 new applicants estimated per year
- applicant applies once
- No annual burden after initial application except record retention.
- Burden is \$3.75 (\$15 per hour times 15 minutes per form)>

13. There is no annual cost burden to the respondents or record keepers except as shown in #12 above with the possible exception of cost to mail the application to the FRB. In addition, respondents incur no start-up or operational costs.

14. Government cost: The two forms each will require approximately five minutes of review by an FRB official, at an estimated \$15 per hour labor charge. Annual cost for the space required to store and maintain the completed forms is minimal. It is estimated that 450 new depositaries will seek authorization annually. Annual cost to the Government is estimated to be \$1,125.

15. There are no program changes or adjustments to this submission.

16. Results of the information collections are not planned for publication.

17. Display of the expiration date on FMS forms 458 and 459 causes' confusion for the respondents. When the respondents see an expired date on the forms, they incorrectly believe that the form is obsolete or must be re-submitted. Since the forms are an on-going legal document, FMS requests that the expiration date be eliminated.

18. Not applicable.

B. Collections of Information Employing Statistical Methods.

Not applicable. Collection of this information does not employ statistical methods.