

**SUPPORTING STATEMENT FOR
PAPERWORK REDUCTION ACT SUBMISSIONS
OMB No. 1510-0067**

FMS Forms 5902 and 5903: “Resolution Authorizing Execution of Depository, Financial Agency, and Collateral Agreement” And “Depository, Financial Agency, and Collateral Agreement”

A. Justifications.

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

Financial institutions seeking designation as a Depository, and the authority to maintain an account, are required to file these forms. Federal Reserve Banks (FRBs) and the Department of the Treasury 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.

As part of the application process for being designated a Depository of the government, financial institutions are required to complete FMS Forms 5902 and 5903. The information is required to establish authority and responsibility for actions taken under the program, 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. See 12 U.S.C. § 1823(e).

The collection of information specifically is authorized by 31 CFR § 202.3(b)(2)(i) and generally authorized by 12 U.S.C. §§ 265, 266, 1464(k), 1725 and 1789(a), 31 U.S.C. § 1038.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

According to 12 U.S.C. § 1823(e), a written agreement executed by the financial institution is required to preserve the Treasury’s interest in the collateral pledged in the event that the FDIC is appointed the receiver or conservator.

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.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

Collection of information is not automated.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

This information is not collected by any other agency or any other form.

5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize burden.

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

6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

The form is necessary to designate the financial institutions as depositaries under 31 CFR Part 202. Further, if the forms were not completed, Treasury would be unable to regulate the financial institutions' actions under 31 CFR Part 202 and to preserve Treasury's interest in collateral pledged by the financial institutions. Information is collected once for each financial institution accepted into the program, and therefore cannot be collected less frequently.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner: *requiring respondents to report information to the agency more often than quarterly; *requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it; requiring respondents to submit more than an original and two copies of any document; etc.

This collection requires financial institutions to maintain certain records for more than three years. (see 5 CFR 123.5(d)(2)(iv)). The forms and the minutes of a financial institution's meeting are to be maintained continuously as official records of the institution. Such records are required by the terms of 12 U.S.C. 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 5902 and 5903 are agreements establishing a depositary relationship and pledging of collateral. To ensure the preservation of the collateral, the records must be maintained for the duration of their relationship, which could be more than three years.

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

Notice soliciting comments on the information collection was published in the Federal Register, May 21, 2012 (Volume 77, number 98, pages 30050.) There were no comments received as a result of this notice. FMS consulted with the FRB for their views on the forms. The FRBs are signatories to FMS Form 5903. Because the creation and maintenance of records is required by Treasury regulations, and other statutes, (see above), no consultation with financial institutions on these topics was undertaken.

9. Explain any decision to provide any payment or gift to respondents, other than reenumeration of contractors or grantees.

No payment is made to collect this information.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

The information collected is not of a confidential nature.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

There are no questions of a sensitive nature in the agreement.

12. Provide estimates of the hour burden of the collection of information. The statement should: *indicate the number of respondents, frequency of response, annual hour burden; and an explanation of how the burden was estimated.

Number of respondents: 15 per year
Frequency of reports: once per financial institution

- a) 5902 3.75 hours per year (15 applicants taking 15 minutes to complete form)
- b) 5903 3.75 hours per year (15 applicants taking 15 minutes to complete form)

Total burden: 7.5 hours each subsequent year

13. Provide an estimate for the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).

There is no annual cost to respondents. The respondent has to complete the form (by hand if desired, or typed) and send it in. There are no start up costs of operational and maintenance costs. The only cost the respondent may incur would be the cost of postage to mail in the form.

14. Provide estimates of annualized costs to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies may also aggregate cost estimates from Items 12, 13, and 14 in a single table.

Government cost: The two forms each will require approximately five minutes of review by a FRB employee, at an estimated \$17 per hour labor cost. Annual cost for the space required for storing the completed forms is minimal. It is estimated that 15 new depositaries will seek authorization annually. Annual cost to the Government is estimated to be \$43 for both forms.

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.

None.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

Results of the information are not planned for publication.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

We believe the public interest will be better served by not printing an expiration date on the form. Printing the expiration date on the form will result in increased costs because of the need to replace inventories that become obsolete by passage of the expiration date each time OMB approval is needed. Without printing the expiration date, supplies of the form could continue to be used. Not printing the expiration date on the form will also avoid confusion among users who may have identical forms with different expiration dates in their possession.

For the above reasons, we request authorization to omit printing the expiration date on this form and permission to use previous versions of FMS Form 5902 and FMS Form 5903.

18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.

N/A

B. Collections of Information Employing Statistical Methods

The agency should be prepared to justify its decision not to use statistical methods in any case where such methods might reduce burden or improve accuracy of results. When Item 17 on the Form OMB 83-I is checked, "Yes," the following documentation should be included in the Supporting Statement to the extent that it applies to the methods proposed:

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