

Office of the Comptroller of the Currency
Supporting Statement
Reporting and Recordkeeping Requirements Associated with
Liquidity Risk Measurement, Standards, and Monitoring
OMB Control No. 1557-0323
(Assigned but not Approved)

The OCC submitted these collections of information to OMB at the proposed rule stage as well. OMB filed comments instructing the OCC to examine public comment in response to the proposed rule and describe in the supporting statement of its next collection any public comments received regarding the collection as well as why (or why it did not) incorporate the commenter's recommendation. No comments were received regarding the collection.

A. Justification.

1. Circumstances that make the collection necessary:

The OCC, FRB, and FDIC have issued a final rule to implement a quantitative liquidity requirement consistent with the liquidity coverage ratio standard established by the Basel Committee on Banking Supervision. The requirement is designed promote improvements in the measurement and management of liquidity risk.

The rule will apply to all internationally active banking organizations, that is, banking organizations with more than \$250 billion in total assets or more than \$10 billion in on-balance sheet foreign exposure, and to consolidated subsidiary depository institutions of internationally active banking organizations with \$10 billion or more in total consolidated assets.

2. Use of the information:

The final rule implements a quantitative liquidity requirement consistent with the LCR standard established by the BCBS and contains requirements subject to the PRA. The reporting and recordkeeping requirements are found in §§ 50.22 and 50.40. Compliance with the information collections will be mandatory. Responses to the information collections will be kept confidential to the extent permitted by law, and there would be no mandatory retention period for the proposed collections of information.

Section 50.22 will require that, with respect to each asset eligible for inclusion in an covered company's HQLA amount, the covered company must implement policies that require eligible HQLA to be under the control of the management function in the covered company responsible for managing liquidity risk. The management function must evidence its control over the HQLA by segregating the HQLA from other assets, with the sole intent to use the HQLA as a source of liquidity, or demonstrating the ability to monetize the assets and making the proceeds available to the liquidity management function without conflicting with a business or risk management strategy of the covered company. In addition, §50.22 will require that a

covered company must have a documented methodology that results in a consistent treatment for determining that the covered company's eligible HQLA meet the requirements of § 50.22.

Section 50.40 will require that a covered company must notify its appropriate Federal banking agency on any day when its liquidity coverage ratio is calculated to be less than the minimum requirement in § 50.10. If a covered company's liquidity coverage ratio is below the minimum requirement in § 50.10 for three consecutive days, or if its appropriate Federal banking agency has determined that the institution is otherwise materially noncompliant, the covered company must promptly provide a plan for achieving compliance with the minimum liquidity requirement in § 50.10 and all other requirements of this part to its appropriate Federal banking agency.

The liquidity plan must include, as applicable, (1) an assessment of the covered company's liquidity position; (2) the actions the covered company has taken and will take to achieve full compliance, including a plan for adjusting the covered company's risk profile, risk management, and funding sources in order to achieve full compliance and a plan for remediating any operational or management issues that contributed to noncompliance; (3) an estimated time frame for achieving full compliance; and (4) a commitment to provide a progress report to its appropriate Federal banking agency at least weekly until full compliance is achieved.

3. Consideration of the use of improved information technology:

The use of improved technology is permitted to meet the requirements of the information collection.

4. Efforts to identify duplication:

The information collected is not duplicated elsewhere.

5. Methods used to minimize burden if the collection has an impact on a substantial number of small entities:

Not applicable.

6. Consequences to the Federal program if the collection were conducted less frequently:

Less frequent collection would present safety and soundness concerns.

7. Special circumstances necessitating collection inconsistent with 5 CFR Part 1320:

The information collection is conducted in accordance with OMB guidelines in 5 CFR part 1320.

8. Efforts to consult with persons outside the agency:

The information collection requirements were issued for comment with the notice of proposed rulemaking. 78 FR 71818 (November 29, 2013). No comments were received regarding the information collection.

9. Payment to respondents:

None.

10. Any assurance of confidentiality:

There is no assurance of confidentiality.

11. Justification for questions of a sensitive nature:

There are no questions of a sensitive nature.

12. Burden estimate:

Section	Requirement	Type of Burden	Respondents	Burden per Response	Number of Responses	Total
§ 50.22(a)(2)	Policies that require eligible HQLAs to be under control of liquidity risk management function.	Recordkeeping	20	10	1	200
§ 50.22(a)(5)	Documented methodology providing consistent treatment for determining whether eligible HQLA meets operational requirements.	Recordkeeping	20	10	1	200
§ 50.40(a)	Notification that liquidity coverage ratio is less than minimum in § 50.10.	Reporting	20	.25	12	60
§ 50.40(b)	Notification that liquidity coverage ratio is less than minimum in § 50.10 for 3 consecutive days or otherwise noncompliant.	Reporting	20	.25	1	5
§ 50.40(b)	Plan for achieving compliance.	Recordkeeping	20	100	1	2,000
§ 50.40(b)(4)	Weekly report of progress toward achieving compliance.	Reporting	20	.25	4	20
Recordkeeping Total			20			2,400
Reporting Total			20			85
Totals			20			2,485

13. Estimate of annualized costs to respondents:

There are no capital or start-up costs associated with this collection. In addition, there are no system and technology acquisition or operation and maintenance costs.

14. Estimate of annualized costs to the government:

None.

15. Changes in burden:

The change in burden is an increase of 304 hours, as this is a new collection.

16. Information regarding collections whose results are planned to be published for statistical use:

No publication for statistical use is contemplated.

17. Display of expiration date:

Not applicable.

18. Exceptions to certification statement:

Not applicable.

B. Collections of Information Employing Statistical Methods.

Not applicable.