

Supporting Statement
Regulatory Capital Rules: Regulatory Capital, Supplementary Leverage Ratio
OMB Control No. 3064-0196

A. Justification.

1. Circumstances that make the collection necessary:

The Federal Deposit Insurance Corporation (“FDIC”), jointly with the Office of the Comptroller of the Currency (“OCC”) and the Board of Governors of the Federal Reserve System (“Board”) (collectively, “the agencies”), is issuing a final rule (“final rule”) that amends the regulatory capital rules adopted by the agencies in July 2013 (“2013 revised capital rules”). Specifically, the final rule implements enhanced supplementary leverage ratio standards for large, interconnected U.S. banking organizations that have at least \$250 billion in total consolidated assets or total on-balance sheet foreign exposures of \$10 billion or more (“covered banks”). In doing so, the final rule supports some of the main objectives of the 2013 revised capital rules, that is, to increase the quantity of regulatory capital and improve the stability and resilience of the U.S. banking system.

2. Use of the information:

The collection of information requirements in the final rule is found in 12 CFR 324.172 and 12 CFR 324.173. Currently, the 2013 revised capital rules require certain advanced approaches organizations to make the disclosures in Tables 1-12 of 12 CFR 324.172 and 12 CFR 324.173 (OMB Control No. 3064-0153). The final rule is adding Table 13 to the existing disclosures, Tables 1-12, for advanced approaches organizations.

3. Consideration of the use of improved information technology:

Respondents may use any type of improved information technology they have available to meet the requirements of this regulation.

4. Efforts to identify duplication:

This information is not available elsewhere because the final rule implements a new disclosure of information that was not previously required for the covered banks.

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

This collection does not have a significant impact on a substantial number of small entities because it only impacts large, interconnected U.S. banking organizations

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

Less frequent collection would result in safety and soundness concerns.

7. Special circumstances necessitating collection inconsistent with 5 C.F.R. Part 1320:

This collection is conducted in accordance with the guidelines in 5 C.F.R. § 1320.6.

8. Efforts to consult with persons outside the agency:

The Agencies issued a notice of proposed rulemaking (NPR) for 60 days of comment on May 1, 2014 (79 FR 24596). The agencies received five comments related to the disclosure requirements of the rule: four from industry associations and one from a consumer advocacy group. All commenters supported the disclosure as providing greater transparency in measuring and reporting an institution's on-and off-balance sheet activities, aiding both market equity and regulatory oversight.

One comment letter recommended that the final rule clarify that Part 1, line 2 of the disclosure table include associated entities reflected on a banking organization's balance sheet on the basis of proportionate consolidation. The commenter noted that it sent the same suggestion to the BCBS to revise the Basel III leverage ratio disclosure requirements. The agencies decided not to revise the disclosure table in response to this comment because proportionate consolidation generally does not apply to the U.S. banking organizations subject to the supplementary leverage ratio.

Another comment letter expressed the view that the required disclosures do not appear to provide a meaningful breakout of off-balance sheet exposures beyond derivative and repo-style transactions. The comment letter recommended that the agencies consider a more detailed breakout of off-balance sheet exposures for Part 2, lines 17 and 18. The agencies believe that the table is sufficiently granular, particularly when viewed in combination with the other regulatory disclosure requirements, including the Call Report and FR Y-9C. Therefore, under the final rule, the agencies are finalizing the disclosures requirements as proposed.

9. Payment to respondents.

There is no payment to respondents.

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. Estimate of Hourly Burden and Cost

Respondents: 8.

Time per Response: 20 hours.

Total Annual Burden: 160 hours.

Cost of Hourly Burden: 160 hours x \$ 92 per hour = \$14,720

To estimate compensation costs associated with the collection, we used \$92 per hour, which is based on May 2012 Bureau of Labor Statistics wage data for the average of the 90th percentile for seven occupations (*i.e.*, accountants and auditors, compliance officers, financial analysts, lawyers, management occupations, software developers, and statisticians) plus an additional 33 percent to cover adjustments and private sector benefits. According to Bureau of Labor Statistics employer costs of employee benefits data, thirty percent represents the average private sector costs of employee benefits.

13. Estimate of Start-up Costs to Respondents:

None.

14. Estimate of annualized costs to the government:

None.

15. Changes in burden:

This is a new collection.

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

The FDIC has no plans to publish the information for statistical use.

17. Display of expiration date.

Not applicable.

18. Exceptions to certification statement.

None.

B. Collections of Information Employing Statistical Methods.

Not applicable.