Supporting Statement
Liquidity Coverage Ratio: Liquidity Risk Measurement,
Standards, and Monitoring (LCR):

OMB Control No. 3064-0197

A. Justification.

1. Circumstances that make the collection necessary:

The Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System (Board), and the Federal Deposit Insurance Corporation (FDIC) are requesting comment on a proposed rule (proposed rule) that would implement a quantitative liquidity requirement consistent with the liquidity coverage ratio standard established by the Basel Committee on Banking Supervision. The requirement is designed to promote the short-term resilience of the liquidity risk profile of internationally active banking organizations, thereby improving the banking sector’s ability to absorb shocks arising from financial and economic stress, as well as improvements in the measurement and management of liquidity risk. The proposed rule would apply to all internationally active banking organizations, generally, bank holding companies, certain savings and loan holding companies, and depository institutions with more than $250 billion in total assets or more than $10 billion in on-balance sheet foreign exposure, and to their consolidated subsidiaries that are depository institutions with $10 billion or more in total consolidated assets.

2. Use of the information:

The requirement is designed to promote the short-term resilience of the liquidity risk profile of internationally active banking organizations, thereby improving the banking sector's ability to absorb shocks arising from financial and economic stress, as well as improvements in the measurement and management of liquidity risk.

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.

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.

6. <u>Consequences to the Federal program if the collection were conducted less frequently:</u>

Less frequent collection would result in safety and soundness concerns.

7. <u>Special circumstances necessitating collection inconsistent with 5 C.F.R. Part 1320:</u>

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

8. <u>Efforts to consult with persons outside the agency:</u>

The Agencies issued a notice of proposed rulemaking for 60 days of comment on November 29, 2013 (78 FR 71818). The agencies sought public comment on all aspects of the proposed rule and received over 100 public comments from U.S. and foreign firms, public officials (including state and local governments and members of Congress), public interest groups, private individuals, and other interested parties. In addition, agency staff held more than 25 meetings with members of the public and obtained supplementary information from certain commenters. **Commenters did not address paperwork burden.** Commenters generally supported the purpose of the proposed rule to create a standardized minimum liquidity requirement, but raised concerns with certain requirements in the proposal that they believed to be super-equivalent (i.e., more restrictive) than the Basel III Revised Liquidity Framework, such as applying the LCR to some subsidiaries, providing for less granular treatment of corporate bonds, assessing mismatches inside of 30 days, requiring higher outflow rates for commitments to financial sector entities, and imposing a higher run-off rate for some brokered deposits. Commenters also raised concerns regarding the relatively narrow scope of assets that qualified for inclusion as HQLA, including many comments supporting the inclusion in HQLA of municipal securities; took issue with the method for calculating the HQLA amount; advocated specific outflow and inflow rates; criticized the proposed daily calculation of the LCR (as contrasted with the Basel III Revised Liquidity Framework's monthly calculation); expressed concerns over the accelerated timetable for implementation; and articulated various other technical and substantive concerns. None of the comments addressed paperwork burden.

9. <u>Payment to respondents.</u>

There is no payment to respondents.

10. <u>Any assurance of confidentiality:</u>

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: Insured state non-member banks, insured state branches of foreign banks, state savings associations, and certain subsidiaries of these entities.

Estimated number of respondents: 2

Time per Response: Reporting - 0.25 hours; recordkeeping - 100 hours.

Frequency of response: Reporting - 5; recordkeeping - 1.

Total Estimated Annual Burden: reporting - 3 hours; recordkeeping - 200 hours.

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.