

**Supporting Statement for  
the Quarterly Savings and Loan Holding Company Report  
(FR 2320; OMB No. 7100-0345)**

**Summary**

The Board of Governors of the Federal Reserve System, under delegated authority from the Office of Management and Budget (OMB), proposes to extend for three years, without revision, the mandatory Quarterly Savings and Loan Holding Company Report (FR 2320; OMB No. 7100-0345). The FR 2320 collects select parent only and consolidated balance sheet and income statement financial data and organizational structure data from savings and loan holding companies (SLHCs) exempt from initially filing Federal Reserve regulatory reports.<sup>1</sup>

The FR 2320 is used by the Federal Reserve to analyze the overall financial condition of exempt SLHCs to ensure safe and sound operations. These data assist the Federal Reserve in the evaluation of a diversified holding company and in determining whether an institution is in compliance with applicable laws and regulations. The annual burden is estimated to be 180 hours.

**Background and Justification**

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act) was enacted into law on July 21, 2010. Title III of the Dodd-Frank Act transferred all former Office of Thrift Supervision (OTS) authorities (including rulemaking) related to SLHCs and their non-depository subsidiaries to the Board of Governors of the Federal Reserve System on July 21, 2011. Consequently, the Federal Reserve became responsible for the consolidated supervision of SLHCs beginning July 21, 2011. Previously, all SLHCs continued to submit all OTS regulatory reports under the OTS SLHC reporting scheme using the existing processing system, the Electronic Filing System (EFS) established by the OTS, through December 31, 2011. However, on February 6, 2012, the Board of Governors approved the implementation of the FR 2320 for exempt SLHCs. The FR 2320 report replaced the OTS Thrift Financial Report (TFR; OMB No. 1557-0255) Schedule HC for these organizations, effective March 31, 2012.

**Description of Information Collection**

The FR 2320 collects select parent only and consolidated balance sheet and income statement, financial data (a total of 31 data items) and organizational structure data from SLHCs exempt from initially filing Federal Reserve regulatory reports.<sup>2</sup>

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<sup>1</sup> An exempt SLHC meets one of the following criteria (1) formed under section 10(c)(9)(C) of the Home Owners' Loan Act (HOLA) whose saving association subsidiaries' consolidated assets make up less than 5 percent of the total consolidated assets of the SLHCs, or (2) its top-tier holding company is an insurance company that only prepares financial statements using statutory accounting principles.

<sup>2</sup> The Federal Reserve regards information submitted in response to line items 24, 25, and 26 as confidential.

## **Respondent Panel**

The respondents include:

(1) grandfathered SLHCs whose:

(a) savings association subsidiaries' consolidated assets make up less than 5 percent of the total consolidated assets of the grandfathered SLHC on an enterprise-wide basis as calculated annually as of June 30th, using the four previous quarters (which includes the quarter-ended June 30th reporting period), for any of these four quarters; *and*

(b) where more than 50 percent of the assets of the grandfathered unitary SLHC are derived from activities that are not otherwise permissible under HOLA on an enterprise-wide basis as calculated annually as of June 30th, using the assets reported as of June 30th, **OR**

(2) (a) where more than 50 percent of the assets of the SLHC are derived from the business of insurance on an enterprise-wide basis as calculated annually as of June 30th, using the assets reported as of June 30th; and

(b) the SLHC does not submit reports to the SEC pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

The FR 2320 is generally filed by the top-tier SLHC if that SLHC is exempt from filing the Federal Reserve's existing regulatory reports. However, if a top-tier SLHC is not required to file the FR 2320, then a lower-tier SLHC must file the FR 2320. Such determination as to which SLHC will be required to file the FR 2320 will be made by the appropriate district Federal Reserve Bank. In addition, lower-tier SLHCs may voluntarily file the FR 2320 or may be required to file (in addition to the top-tier SLHC) for safety and soundness purposes at the discretion of the district Federal Reserve Bank.

## **Time Schedule for Information Collection**

The FR 2320 is filed quarterly as of the end of March, June, September, and December, using the Federal Reserve's Internet Electronic Submission (IESUB) application.<sup>3</sup> If a SLHC has a quarter-end other than a calendar quarter-end, data from the fiscal quarter ending within the calendar quarter may be used to complete the FR 2320. With certain exceptions, micro data are considered public information and are available through the Board's Freedom of Information Office.

## **Legal Status**

The Board's Legal Division has determined that section 10 of the HOLA, authorize the Federal Reserve to collect information on the FR 2320. (12 U.S.C. § 1467a(b)(2)), as amended by Pub. L. No. 111-201, § 369(8).

The Board's Legal Division has also determined that data items C572, C573, and C574

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<sup>3</sup> <http://www.frb services.org/centralbank/reportingcentral/index.html>

on Schedule HC—may be protected from disclosure under exemption 4 of the Freedom of Information Act (FOIA). Commercial or financial information may be protected from disclosure under exemption 4 if disclosure of such information is likely to cause substantial competitive harm to the provider of the information. *See* 5 U.S.C. § 552(b)(4); National Parks & Conservation Ass’n v. Morton, 498 F.2d 765 (D.C. Cir. 1974). The data items listed above pertain to new or changed pledges, or capital stock of any subsidiary savings association that secures short-term or long-term debt or other borrowings of the SLHC; changes to any class of securities of the SLHC or any of its subsidiaries that would negatively impact investors; and defaults of the SLHC or any of its subsidiaries during the quarter. Disclosure of this type of information is likely to cause substantial competitive harm to the SLHC providing the information and thus this information may be protected from disclosure under FOIA exemption 4.

With regard to the remaining data items on Schedule HC, the Board’s Legal Division has determined that institutions may request confidential treatment for any FR 2320 data item or for all FR 2320 data items, and confidential treatment will be reviewed on a case-by-case basis.

**Consultation Outside the Agency**

On September 24, 2014, the Federal Reserve published a notice in the *Federal Register* (79 FR 57101) requesting public comment for 60 days on the extension, without revision, of the Quarterly Savings and Loan Holding Company Report. The comment period for this notice expired on November 24, 2014. The Federal Reserve did not receive any comments. On December 15, 2014, the Federal Reserve published a final notice in the *Federal Register* (79 FR 74088).

**Estimate of Respondent Burden**

The annual burden for the FR 2320 is estimated to be 180 hours as shown in the following table. The estimated hours per response is based on the hourly estimate previously associated with Schedule HC. The Federal Reserve believes this estimate is reasonable given that no changes are proposed to the data items to be collected. The FR 2320 reporting requirements represent less than 1 percent of the total Federal Reserve System paperwork burden.

	<i>Number of respondents</i>	<i>Estimated annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
FR 2320	18	4	2.5	180

The current annual cost to the public of these reports is estimated to be \$9,162.<sup>4</sup>

<sup>4</sup> Total cost to the public was estimated using the following formula: percent of staff time, multiplied by annual

## **Sensitive Questions**

This collection of information contains no questions of a sensitive nature, as defined by OMB guidelines.

## **Estimate of Cost to the Federal Reserve System**

The annual cost to the Federal Reserve System for this report is estimated to be \$93,900

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burden hours, multiplied by hourly rates (30% Office & Administrative Support at \$18, 45% Financial Managers at \$61, 15% Lawyers at \$63, and 10% Chief Executives at \$86). Hourly rate for each occupational group are the (rounded) mean hourly wages from the Bureau of Labor and Statistics (BLS), Occupational Employment and Wages 2013, [www.bls.gov/news.release/ocwage.nr0.htm](http://www.bls.gov/news.release/ocwage.nr0.htm) Occupations are defined using the BLS Occupational Classification System, [www.bls.gov/soc/](http://www.bls.gov/soc/).