

SUPPORTING STATEMENT
Capital Distribution
OMB Control No. 1557-0310

A. JUSTIFICATION

1. Circumstances and Need:

Under the OCC's rules governing capital distributions at 12 CFR part 163, subpart E, a Federal savings association (FSA) must file a capital distribution application with the OCC if: (1) it is not eligible for expedited treatment under 12 CFR 116.5; (2) the total amount of the its capital distributions (including the proposed capital distribution) for the applicable calendar year exceeds its net income for that year to date, plus retained net income for the preceding two years; (3) it would not be at least adequately capitalized, as set forth in 12 CFR 6.4, after the capital distribution; or (4) the proposed capital distribution would violate any applicable statute, regulation, or agreement with the OCC or the OTS, or violate a condition imposed on it in connection with an application or notice approved by the OCC or the OTS. 12 CFR 163.143(a).

If an FSA is not required to file a capital distribution application, it may be required to file a capital distribution notice with the OCC if: (1) it would not be well capitalized following the capital distribution as set forth in 12 CFR 165.4(b)(1); (2) the proposed capital distribution would reduce the amount of or retire any part of its common or preferred stock, or retire any part of debt instruments (such as notes or debentures) included in capital under 12 CFR part 3 or part 167, as applicable, (other than regular payments required under a debt instrument approved under 12 CFR 163.81); or (3) it is a subsidiary of a savings and loan holding company. 12 CFR 163.143(b).

If neither an FSA nor its proposed capital distribution meet the criteria described above, the FSA is not required to file an application or notice with the OCC. 12 CFR 163.143(c). However, if the FSA is required to file a notice with the Board of Governors of the Federal Reserve System (FRB) involving a cash dividend pursuant to 12 U.S.C. 1467a(f), it is required to provide an informational copy of the filing to the OCC under 12 CFR 163.143(d) at the same time the notice is filed with the FRB.

2. Use of Information Collected:

The OCC reviews the information to determine whether the request of Federal savings associations is in accordance with existing statutory and regulatory criteria. In addition, the information provides the OCC with a mechanism for monitoring capital distributions since distributions may reduce an institution's capital levels and may, in some instances, impact the institution adversely.

3. Use of Technology:

Respondents may use the appropriate technology resources available that facilitates the successful transmission and submission of information.

4. Efforts to Identify Duplication:

This information collection is not duplicative. Each submission is unique to the individual bank and situation.

5. Minimizing the Burden on Small Firms:

Only the information necessary for the OCC to fulfill its statutory responsibilities, regardless of size, is requested.

6. Consequences of Less Frequent Collection:

The information is submitted only once for each filing. Federal savings associations also have the ability to submit a schedule of future capital distributions for approval, thus reducing their filing requirements. It would be impossible for the information to be collected less frequently.

7. Special Circumstances:

The information collection is conducted in a manner consistent with the guidelines set out in 5 CFR 1320.6. There are no specific recordkeeping requirements imposed by this information collection.

8. Consultation with Persons Outside of the OCC:

A 60-Day *Federal Register* notice to establish this information collection was published in the *Federal Register* on January 26, 2015 (80 FR 4037). No comments were received.

9. Payment of Respondents:

OCC does not provide payments or gifts to respondents.

10. Confidentiality:

The information will be kept confidential to the extent permitted by law.

11. Information of a Sensitive Nature:

Not applicable. No personally identifiable information is collected.

12. Estimate of Annual Hour Burden:

Estimated Number of Respondents: 10.
Estimated Total Burden: 11 hours.

13. Estimate of Annual Cost:

Not applicable.

14. Estimates of Annualized Cost to Government:

Not applicable.

15. Reason for Change in Burden:

Prior Burden: 546 hours.
Current Burden: 11 hours.
Difference: 535 hours.

The decrease in burden is due to the availability of more accurate burden estimates.

16. Publication:

The results of the collection of information will not be published.

17. Expiration Date:

OCC is not seeking approval to remove the expiration date for this information collection.

18. Exceptions:

There are no exceptions to the certification statement.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.