

**Supporting Statement for  
OMB Control Number 1557-0205  
Investment Securities -- 12 CFR Part 1**

**A. Justification.**

**1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection.**

Under 12 CFR 1.3(h)(2), a national bank may request an OCC determination that it may invest in an entity that is exempt from registration under section 3(c)(1) of the Investment Company Act of 1940<sup>1</sup> if the portfolio of the entity consists exclusively of assets that a national bank may purchase and sell for its own account.

Under 12 CFR 1.7(b), a national bank may request OCC approval to extend the five-year holding period of securities held in satisfaction of debts previously contracted (DPC) for up to an additional five years. The bank must provide a clearly convincing demonstration of why any additional holding period is needed.

**2. Indicate how, by whom, and for what purpose the information is to be used. Indicate the actual use the agency has made of any information received from the current collection.**

12 CFR 1.3(h)(2): The OCC uses the information contained in the request as a basis for determining that the bank's investment is consistent with its investment authority under applicable law and does not pose unacceptable risk.

12 CFR 1.7(b): The OCC uses the information in the request to ensure, on a case-by-case basis, that a bank's purpose in retaining the securities is not speculative, that the bank's reasons for requesting the extension are adequate, and to evaluate the risks to the bank of extending the holding period, including potential effects on bank safety and soundness.

**3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology. Describe any consideration of using information technology to reduce burden.**

The information is unique and non-recurring. Therefore, the use of improved information technology does not appear to reduce burden or cost. However, the OCC would consider a bank's proposal to use any existing technology relevant to producing or delivering the information.

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<sup>1</sup> 15 U.S.C. 80a-3(c)(1).

**4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 of this Supporting Statement.**

This information collection is unique to the bank and the particular filing. It is not duplicated anywhere.

**5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.**

Not applicable. The collections of information do not have a significant economic impact on a substantial number of small entities.

**6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.**

The information is collected infrequently, as covered situations arise. Less frequent collection could impair OCC's bank supervisory activities and would limit the utility of the information to bank management. Less frequent collection could result in unsafe and unsound bank operations.

**7. Explain any special circumstances necessitating collection inconsistent with 5 CFR 1320.5(d)(2).**

Not applicable. This information collection is conducted in accordance with OMB's guidelines in 5 CFR 1320.5(d)(2).

**8. Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format and on the data elements to be recorded, disclosed, or reported. Include citations to any relevant Federal Register notices, summarize any comments received, and indicate any actions taken in response to comments.**

The OCC issued a 60-day *Federal Register* regarding the collection on April 14, 2015, (80 FR 20076). No comments were received.

**9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.**

There is no payment to respondents.

**10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.**

The information collected is kept confidential to the extent permitted by law.

**11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private, including the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.**

Not applicable. No information of a sensitive nature is collected.

**12. Provide estimates of the hour burden of the collection. Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories.**

The OCC estimates that a total of about 25 national banks will make a request of the OCC for a determination under 12 CFR 1.3(h)(2) and 12 CFR 1.7(b).

<b>Cite and Burden Type</b>	<b>Information Collection Requirements in 12 CFR Part 1</b>	<b>Number Of Respondents</b>	<b>Number Of Responses</b>	<b>Average Hours Per Response</b>	<b>Estimated Burden Hours</b>
12 CFR 1.3(h)(2) Reporting	<b>Limitations on dealing in, underwriting, and purchase and sale of securities – Pooled Investment – Other issuers</b> – A national bank may request an OCC determination that it may invest in an entity that is exempt from registration under section 3(c)(1) of the Investment Company Act of 1940 if the portfolio of the entity consists exclusively of assets that a national bank may purchase and sell for its own account.	15	1	24	360 hours
12 CFR 1.7(b)	<b>Securities held in satisfaction of debts previously contracted; holding period; disposal; accounting treatment; non-speculative purpose – Holding period</b> – A national bank may request OCC approval to extend the five-year holding period of securities held in satisfaction of debts previously contracted (DPC) for up to an additional five years. The bank must provide a clearly convincing demonstration of why any additional holding period is needed.	10	1	10	100
<b>Totals</b>		<b>25</b>	<b>1</b>		<b>460</b>

Cost of hour burden:

460 hours x \$95.50 = \$43,930

To estimate compensation costs associated with the collection, we used \$95.50 per hour, which is based on May 2012 Bureau of Labor Statistics wage data for the average of the 90<sup>th</sup> 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 inflation 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. We use an inflation estimate of 3 percent.

**13. Estimate of total annual startup and annual capital costs to respondents; and cost of operation, maintenance and purchase of services.**

Not applicable.

**14. Provide estimates of annualized cost to the Federal government, including a description of the method used to estimate cost.**

Not applicable.

**15. Explain the reasons for any program changes or adjustments reported.**

There is no change in burden.

**16. For collections of information whose results will be published, outline plans for tabulation and publication.**

The results of these collections will not be published for statistical use.

**17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.**

Not applicable.

**18. Explain each exception to the topics of the certification statement identified in the "Certification for Paperwork Reduction Act Submissions."**

None.

**B. Collections of Information Employing Statistical Methods.**

Not applicable.