

**Supporting Statement for the
Savings and Loan Holding Company Application
(Form H-(e); OMB No. 7100-0336)**

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 Savings and Loan Holding Company Application (Form H-(e); OMB No. 7100-0336). The Federal Reserve analyzes each holding company application to determine whether the applicant meets the statutory criteria set forth in section 10(e) of the Home Owners' Loan Act (Act), as amended, to become a savings and loan holding company. The applications are reviewed for adequacy of answers to items and completeness in all material respects. The applications are event-generated and provide the Federal Reserve with information necessary to evaluate the proposed transaction.

The Federal Reserve intends to update and revise the Application to conform to Federal Reserve standards in the near future. The total annual reporting burden is estimated to be 6,000 hours.

Background and Justification

Section 10(e) of the Act, as amended, and Regulation LL (12 C.F.R. § 238.11) provide that, unless a transaction is exempt under 12 C.F.R. § 238.12, no company or any director who owns, controls, or holds with power to vote (or holds proxies representing) more than 25 percent of the voting stock of a savings association holding company, may acquire control of a savings association without the prior written approval of the Federal Reserve. In addition, no person (other than certain persons affiliated with a savings and loan holding company who are subject to the previous statement) shall acquire control.

Form H-(e) is used to collect information concerning the proposed acquisition(s). The blank line following the H-(e) on the cover page is filled in by the applicant(s) with the appropriate "1", "1-S", "2", "3", or "4" depending on the type of acquisition. Information about these five filing categories are available in the General Instructions. Details concerning the mechanics of the proposed transaction(s) as well as a description of the applicant(s)'s current business are requested. In accordance with statutory requirements, information concerning the financial and managerial resources as well as the future prospects of the applicant(s) and the association(s) is requested. Also, in accordance with the statutory requirements, information is requested concerning the convenience and needs of the community to be served and the competitive effects of the proposed transaction(s).

Description of Information Collection

The application form collects information concerning proposed SLHC formations, acquisitions, mergers, or purchase of assets of savings associations, and SLHC targets. Generally these applications are submitted to the appropriate Federal Reserve Bank by existing

or proposed SLHCs. The form collects information on the legal and structural aspects of these transactions, as well as information related to the financial, managerial, future prospects, and competitive factors related to the pro forma organization.

Time Schedule for Information Collection

The applications submitted with these forms are event generated and the data are not part of any published reporting series. If the application meets established criteria to be processed on a delegated basis, the Reserve Bank or Secretary of the Board generally acts on the proposal within 30 calendar days of submission of the application. If the proposal does not meet the criteria for processing under delegated authority, the application will be processed for action by the Board. Such an application will generally be acted on within 60 calendar days of submission of the application, unless an applicant is notified that the processing period is being extended and informed of the reasons for the extension.

Legal Status

The Board's Legal Division has determined that the Savings and Loan Holding Company Application is mandatory and authorized pursuant to section 10 of HOLA, which provides that "the Board is authorized to issue such regulations...as the Board deems necessary or appropriate to enable the Board to administer and carry out the purposes of this sections, and require compliance therewith and prevent evasions thereof" (12 U.S.C. § 1467a(g)(1)). Section 10 of HOLA also requires a savings and loan holding company to file "such reports as may be required by the Board" and provides that such reports "shall contain such information concerning the operations of such savings and loan holding company and its subsidiaries as the Board may require (12 U.S.C. § 1467a(b)(2)).

The information on Form H-(e) is not considered confidential unless the applicant requests confidential treatment pursuant to exemption 4 or 6 of the Freedom of Information Act (5 U.S.C. § 552(b)(4) or (6)). All such requests for confidential treatment would need to be reviewed on a case-by-case basis and in response to a specific request for disclosure.

Consultation Outside the Agency

On June 17, 2015, the Federal Reserve published a notice in the *Federal Register* (80 FR 34641) requesting public comment for 60 days on the proposal to extend, without revision, the Savings and Loan Holding Company Application. The comment period for this notice expired on August 17, 2015. The Federal Reserve did not receive any comments. On September 11, 2015, the Federal Reserve published a final notice in the *Federal Register* (80 FR 54790).

Estimate of Respondent Burden

The current annual reporting burden for the application is estimated to be 6,000 hours as shown in the following table. The average estimated hours per response is 500 hours. The annual burden for the application represents less than 1 percent of total Federal Reserve System

paperwork burden.

	<i>Number of respondents¹</i>	<i>Annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
Form H-(e)	12	1	500	6,000

The current annual cost to the public is estimated to be \$310,500.²

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 information submitted in the applications is not automated. The cost to the Federal Reserve System of printing and mailing instructions is negligible.

¹ Of these respondents, none are estimated to be small entities as defined by the Small Business Administration (i.e., entities with less than \$550 million in total assets) www.sba.gov/content/table-small-business-size-standards.

² Total cost to the public was estimated using the following formula: percent of staff time, multiplied by annual burden hours, multiplied by hourly rates (30% Office & Administrative Support at \$17, 45% Financial Managers at \$63, 15% Lawyers at \$64, and 10% Chief Executives at \$87). Hourly rates for each occupational group are the (rounded) mean hourly wages from the Bureau of Labor and Statistics (BLS), *Occupational Employment and Wages May 2014*, published March 25, 2015, www.bls.gov/news.release/ocwage.t01.htm. Occupations are defined using the BLS Occupational Classification System, www.bls.gov/soc/.