

**Supporting Statement for the
Reporting Requirements Associated with
Supervision and Regulation Assessments of Fees (Regulation TT)
(Reg TT; OMB No. to be obtained)**

***Supervision and Regulation Assessments for Bank Holding Companies and Savings and Loan
Holding Companies With Total Consolidated Assets of \$50 Billion or More and Nonbank
Financial Companies Supervised by the Federal Reserve (Regulation TT)
(Docket No. R-1457) (RIN 7100-AD95)***

Summary

The Board of Governors of the Federal Reserve System, under delegated authority from the Office of Management and Budget (OMB), proposes to implement the Reporting Requirements Associated with Supervision and Regulation Assessments of Fees (Regulation TT); (Reg TT; OMB No. to be obtained). The Paperwork Reduction Act (PRA) classifies reporting, recordkeeping, or disclosure requirements of a regulation as an “information collection.”¹

On August 23, 2013 the Federal Reserve published a final rule in the *Federal Register* (78 FR 52391). This final rule implements section 318 of the Dodd-Frank Wall Street Reform and Consumer Protection Act² (Dodd-Frank Act), which directs the Federal Reserve to collect assessments, fees, or other charges equal to the total expenses the Federal Reserve estimates are necessary or appropriate to carry out the supervisory and regulatory responsibilities of the Federal Reserve for bank holding companies and savings and loan holding companies with total consolidated assets of \$50 billion or more and nonbank financial companies designated for Federal Reserve supervision by the Financial Stability Oversight Council. The final rule is effective on October 25, 2013.

Each assessed company would have thirty calendar days from June 30 or, for the 2012 assessment period, thirty calendar days from the Board’s issuance of a notice of assessment for that assessment period, to submit a written statement to appeal the Board’s determination (1) that the company is an assessed company or (2) of the company’s total assessable assets. These reporting requirements are found in section 246.5(b) of the final rule.

The total annual burden for this information collection is estimated to be 280 hours for the seven assessed companies that would submit a written request for appeal annually. There are no required reporting forms associated with this information collection.

Background and Justification

The Dodd-Frank Act directs the Board to collect assessments, fees, or other charges (assessments) from bank holding companies (BHCs) and savings and loan holding companies (SLHCs) with \$50 billion or more in total consolidated assets, and from nonbank financial

¹ See 44 U.S.C. § 3501 *et seq.*

² Dodd-Frank Wall Street Reform and Consumer Protection Act, Public Law 111-203, 124 Stat. 1376 (2010).

companies designated by the Financial Stability Oversight Council (Council) pursuant to section 113 of the Dodd-Frank Act for supervision by the Board (Board-supervised nonbank financial companies), (collectively, assessed companies), equal to the expenses the Board estimates are necessary or appropriate to carry out its supervision and regulation of those companies.

Each calendar year would be an assessment period (assessment period) and a BHC or SLHC would be an assessed company for that assessment period if the company's average total consolidated assets over the assessment period met or exceeded \$50 billion, and a nonbank financial company would be an assessed company if it was a Board-supervised nonbank financial company on December 31 of the assessment period. The Board proposed to notify assessed companies of the amount of their assessment no later than July 15 of the year following each assessment period. After an opportunity for appeal, each assessed company would have been required to pay its assessment by September 30 of the year following the assessment period. The Board proposed to collect assessments beginning with the 2012 assessment period.

Description of Information Collection

Section 246.5(b) Notice of Assessment and Appeal Period. The Board would issue a notice of assessment to each assessed company no later than June 30 of each calendar year following the assessment period, provided, however, that for the 2012 assessment period, the Board would issue a notice of assessment as soon as reasonably practical after publication of the final rule in the *Federal Register*. Each assessed company would have thirty calendar days from June 30, or, for the 2012 assessment period, thirty calendar days from the Board's issuance of a notice of assessment for that assessment period, to submit a written statement to appeal the Board's determination (1) that the company is an assessed company or (2) of the company's total assessable assets. The Board would respond with the results of its consideration to an assessed company that has submitted a written appeal within 15 calendar days from the end of the appeal period.

Time Schedule for Information Collection

This information collection is event-generated. As stated above, this information collection would be used whenever an assessed company elects to appeal the Board's determination (1) that the company is an assessed company or (2) of the company's total assessable assets. The company would have 30 calendar days from June 30, or, for the 2012 assessment period, 30 calendar days from the Board's issuance of a notice of assessment for that assessment period, to submit a written statement to appeal the Board's determination.

Legal Status

Section 11(s) of the Federal Reserve Act (12 U.S.C. § 248) requires the Board to collect assessment fees from assessed companies. The Board has used its discretion to provide a method for assessed companies to appeal the assessment fees. The Board's authority to provide this opportunity is implicit in, and generally authorized by, section 11(s). The response is required to obtain the benefit of reconsideration of an assessed company's status or assessed amount.

There is no information for this information collection that is routinely considered confidential. An assessed company may request confidential treatment if it believes that disclosure of specific commercial or financial information in the statement would likely result in substantial harm to its competitive position. The determination that such information is confidential and not subject to disclosure under the Freedom of Information Act (FOIA) (5 U.S.C. § 552), would need to be made on a case-by-case basis, consistent with FOIA exemption 4 (5 U.S.C. § 552(b)(4)).

Consultation Outside the Agency

On April 18, 2013, the Federal Reserve published a notice of proposed rulemaking in the *Federal Register* (78 FR 23162) requesting public comment on the proposed information collection. The comment period for this notice expired on June 15, 2013. The Federal Reserve did not receive any comments on the reporting requirements contained in section 246.5(b). On August 23, 2013, the Federal Reserve published a final rule in the *Federal Register* (78 FR 52391) and is effective on October 25, 2013.

Estimate of Respondent Burden

The total annual burden for this information collection is estimated to be 280 hours. The estimated average burden per request is 40 hours. The Federal Reserve estimates that approximately seven assessed companies would submit a written request for appeal annually. These reporting requirements represent less than 1 percent of the total Federal Reserve System paperwork burden.

Reg TT	<i>Number of respondents³</i>	<i>Annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
Section 246.5(b)	7	1	40	280

The total cost to the public for this information collection is estimated to be \$14,882.⁴

Sensitive Questions

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

³ Of these respondents, none are considered small entities as defined by the Small Business Administration (i.e., entities with less than \$550 million in total assets) www.sba.gov/content/small-business-size-standards.

⁴ 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 \$65, 15% Lawyers at \$66, and 10% Chief Executives at \$89). 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 2015*, published March 30, 2016 www.bls.gov/news.release/ocwage.t01.htm. Occupations are defined using the BLS Occupational Classification System, www.bls.gov/soc/.

Estimate of Cost to the Federal Reserve System

The annual cost to the Federal Reserve System for collecting this information is negligible.