

**Supporting Statement for the
Application for Membership for the Community Advisory Council
(FR 1401; OMB No. to be obtained)**

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 Application for Membership for the Community Advisory Council (CAC) (FR 1401; OMB no. to be obtained). The CAC was established to provide information, advice, and recommendations to the Federal Reserve on policy matters and issues affecting consumers and communities. The Application would be used to obtain information about the experience and qualification of persons seeking to be considered for CAC membership.

The Application for Membership would collect a candidate's contact information, current employment, areas of expertise, a resume, which typically includes information about employment history, education, and training, and a statement explaining why they are interested in serving on the CAC and what they believe are their primary qualifications. Candidates could voluntarily elect to provide additional information to support their application, such as copies of publications or letters of recommendation. The total annual reporting burden would depend on the number of applications submitted in a particular year and is currently estimated to be 1,100 hours. The estimated number of respondents is based on the number of candidates that submitted a Statement of Interest to be considered for CAC membership in response to a *Federal Register* notice published in 2015.¹ A copy of the draft Application is attached.

Background and Justification

In January 2015, the Board created the CAC as an advisory committee to the Board on issues affecting consumers and communities. The CAC comprises a diverse group of experts and representatives of consumer and community development organizations and interests, including from such fields as affordable housing, community and economic development, small business, and asset and wealth building. CAC members meet semiannually with the members of the Board in Washington, DC to provide a range of perspectives on the economic circumstances and financial services needs of consumers and communities, with a particular focus on the concerns of low- and moderate-income consumers and communities.

The CAC complements the Board's other advisory councils – the Community Depository Institutions Advisory Council (CDIAC) and the Federal Advisory Council (FAC) – whose members represent depository institutions. The CAC serves as a mechanism to gather feedback and perspectives on a wide range of policy matters and emerging issues of interest to the Board of Governors and aligns with the Federal Reserve's mission and current responsibilities. These responsibilities include, but are not limited to, banking supervision and regulatory compliance (including the enforcement of consumer protection laws), systemic risk oversight and monetary policy decision-making, and, in conjunction with the Office of the Comptroller of the Currency

¹ *Federal Register* notice published on April 13, 2015, available at <https://federalregister.gov/a/2015-08354>.

(OCC) and Federal Deposit Insurance Corporation (FDIC), responsibility for implementation of the Community Reinvestment Act (CRA).

The Federal Reserve considered CAC candidates during 2015 by soliciting Statements of Interest that allowed individuals to submit whatever information that they determined, in their sole discretion, was appropriate. The type and amount of information submitted by applicants varied significantly. The proposed Application for Membership would provide a structure for candidates' submissions, standardize the process, and allow the Board to evaluate candidates more efficiently.

Description of Information Collection

The Application comprises four sections – Background, Expertise, Current Employment, and Additional Information. The Background section collects name, postal address, telephone number, and e-mail address. The Expertise section collects the subject areas in which the candidate considers himself or herself to have expertise. The Current Employment section requests applicants' to identify their employer, state their current position or title, and identify the sector in which they work. The Additional Information section requires candidates to submit a resume and a statement explaining why they are interested in serving on the CAC and what they believe are their primary qualifications. This section also indicates that applicants may, at their option, submit any other information they choose, such as copies of their publications or letters of recommendation.

Time Schedule for Information Collection

The Application is event generated and would be completed and submitted to the Federal Reserve by all applicants who seek to be considered for CAC membership. The Federal Reserve would issue a Press Release and publish a *Federal Register* notice to announce when it is accepting applications for membership. The *Federal Register* notice would specify the deadline for submitting applications, which typically would be 60 days after publication in the *Federal Register*.

Legal Status

The Board's Legal Division has determined that the Application is authorized pursuant to the Board's general authority to establish the CAC, which is derived from sections 2A and 10 of the Federal Reserve Act (FRA). Section 2A of the FRA requires the Federal Reserve Board and the Federal Open Market Committee to maintain long run growth of the monetary and credit aggregates commensurate with the economy's long run potential to increase production, so as to promote effectively the goals of maximum employment, stable prices, and moderate long-term interest rates (12 U.S.C. § 225a) and section 10 of the FRA authorizes the Board to "determine and prescribe the manner in which its obligations shall be incurred and its disbursements and expenses allowed and paid" (12 U.S.C. § 244). The obligation to respond is required to obtain the benefit of consideration for CAC membership.

Information provided on the Application for Membership will be kept confidential under

exemption (b)(6) of the Freedom of Information Act (FOIA) to the extent that the disclosure of information “would constitute a clearly unwarranted invasion of personal privacy” (5 USC § 552(b)(6)). For example, the release of information such as an applicant’s address, phone number, and e-mail address would likely constitute a clearly unwarranted invasion of personal privacy, and would be kept confidential. However, the release of information such as the educational and professional qualifications of successful applicants would not likely constitute a clearly unwarranted invasion of personal privacy, and would not be kept confidential.

Consultation Outside the Agency

On November 25, 2015, the Federal Reserve published a notice in the *Federal Register* (80 FR 73765) requesting public comment for 60 days on the implementation of the Application for Membership for the CAC. The comment period for this notice expired on January 25, 2016. The Federal Reserve did not receive any comments. The Application will be implemented as proposed. On March 4, 2016, the Federal Reserve published a final notice in the *Federal Register* (81 FR 11564).

Estimate of Respondent Burden

As shown in the following table, the annual burden is estimated to be 1,100 hours. The estimated number of respondents is based on the number of candidates that submitted a Statement of Interest to be considered for CAC membership in response to a *Federal Register* Notice published in April 2015. These reporting requirements represent less than 1 percent of total Federal Reserve System annual paperwork burden.

	<i>Number of respondents</i>	<i>Annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
FR 1401	1,100	1	1	1,100

The total cost to the public is estimated to be \$26,400 for the FR 1401.²

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 total annual cost to the Federal Reserve System for processing the Application is negligible.

² The average consumer cost of \$24 is estimated using data from the BLS Economic News Release (USDLE-16-0462) www.bls.gov/news.release/cewqtr.nr0.htm.