

**Supporting Statement
Examination Survey
OMB Control No. 1557-0199**

A. Justification.

1. *Circumstances that make the collection necessary:*

This information collection provides the OCC some general information as to how its examination processes are viewed by OCC regulated institutions. The OCC's Office of the Ombudsman administers the collection process to assure bankers of the OCC's interest in obtaining frank comments by preserving their identity from the OCC staff that directly supervises the institutions. The OCC's Ombudsman expects its staff to maintain the anonymity of the individual bank's identities and their responses and will instruct Ombudsman staff about these responsibilities. Additionally, it is the policy of the Ombudsman to only share the data at the senior management level. When this occurs, senior managers will be informed that they should not share the information with subordinates. The OCC Ombudsman promotes OCC/banker communications and resolves problems and conflicts.

The OCC provides each national bank or Federal savings association with an Examination Survey at the end of its supervisory cycle (12- or 18-month period). This information collection permits banks to provide feedback on the OCC's bank supervisory activities, including the:

- Effectiveness of OCC communications with the bank;
- Reasonableness of OCC requests for data and information;
- Quality of OCC decision making during the exam process;
- Professionalism of OCC examining staff; and
- Responsiveness of OCC examiners.

The OCC developed the survey at the suggestion of the banking industry. Banking industry members expressed a desire to provide examination-related feedback to the OCC. The Comptroller and OCC supervisory staff considered that suggestion and concurred. Further, the Comptroller and OCC supervisory staff find this information collection to be an important tool in helping to provide insights and general feedback to allow a more statistically rigorous evaluation of the OCC's examination and supervisory functions.

This information collection continues to formalize and promote a long-standing OCC program. The OCC always has given the institutions it supervises the opportunity to provide input regarding the examination process.

2. *Use of the information:*

The OCC Ombudsman follows up on any significant issues raised, whether they pertain to examination procedures, practices, or personnel. The OCC created the Ombudsman position

specifically to resolve problems of this type. The OCC Ombudsman regularly performs these tasks.

The OCC Ombudsman and staff receive and process the information, but will not release information on individual banks. The Senior Deputy Comptroller for Mid-size/Community Bank Supervision, the Senior Deputy Comptroller for Large Bank Supervision, and the Chief National Bank Examiner primarily use this information.

3. *Consideration of the use of improved information technology:*

Bankers will be able to complete the survey using a secure web-based data collection tool. The web-based tool is SAS-70 compliant and operates on a FISMA-compliant hosting infrastructure. The tool also enables the development of Section 508 compliant surveys.

4. *Efforts to identify duplication:*

This information collection is unique to the institution and the supervisory cycle. 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.*

The OCC sends the Examination Survey to all OCC-supervised institutions regardless of asset size. The OCC minimized the impact of the survey by administering it via a web-based method that allows easy access. In addition, the completion of the survey is voluntary and institutions may skip any question in the survey.

6. *Consequences to the Federal program if the collection were conducted less frequently:*

This information collection is conducted only upon completion of a supervisory cycle. Less frequent collection would result in the collection, processing, and follow-up of stale information, impairing the effectiveness of this program.

7. *Special circumstances that would cause the collection to be conducted in a manner inconsistent with 5 CFR part 1320:*

Not applicable.

8. *Efforts to consult with persons outside the agency:*

On April 4, 2016, the OCC issued a notice for 60 days of comment concerning the collection, 81 FR 19287. One comment from an individual was received.

The commenter stated that the collection has no practical utility and is not necessary for the proper performance of the functions of the OCC because it does not generate objective assessments of the OCC's performance. The commenter suggested that the OCC should

discuss why the potential for retaliation does not bias the results of the questionnaire and limit its usefulness.

The commenter believed that the practical utility of the questionnaire would be improved if the OCC explained why the questionnaire is not offered to the general public, bank customers, or other stakeholders and why it believes that banks provide a more accurate assessment of OCC effectiveness and quality.

The commenter believed that burden could be minimized by eliminating the questionnaire and instead soliciting feedback from bankers through regular outreach activities and called on the OCC to discuss in its final issuance why it has not been eliminated.

The commenter stated that the OCC improves the quality, utility, and clarity of the information when it attentively responds to all significant public comments before finalizing rules. The commenter also believed that when the OCC leaves unclear whether it considered comments, the public record is incomplete and the OCC creates the perception that it makes final decisions on rules without considering the data, views, and arguments of others.

The questionnaire attempts to receive feedback from bankers on supervision areas they find most valuable and areas that could be improved. The feedback is not meant to be representative of the population, but of the individual bank's experiences with the OCC staff and processes. The collection is voluntary, and the OCC's Ombudsman oversees the data and maintains privacy to the extent provided by law.

Bankers are best equipped to respond to the survey given the objective of the questionnaire to measure OCC's performance and progress in improving the supervisory experience and agency communications. Bankers are direct stakeholders in the OCC's supervisory process and have ongoing contact with the OCC's staff and processes to assess the agency's performance. The general public, bank customers, and other stakeholders do not have direct interaction with the OCC's supervisory process to assess the agency's performance.

The questionnaire is administered in combination with feedback solicited directly from bankers through regular outreach activities. The questionnaire provides bankers the ability to provide candid feedback on the entire supervisory process while preserving their identity from the OCC staff that directly supervises the institutions.

On June 30, 2016, the OCC issued a 30-day notice soliciting comment on the information collection, 81 FR 42789. One comment was received from an individual.

The commenter stated that the examination questionnaire is unnecessary because the OCC has requested assistance from external individuals other than the bankers of institutions it supervises to obtain an objective assessment of its performance in supervising institutions, e.g. the International Review of OCC's Supervision of Large and Midsize Institutions. The OCC should not burden the industry with paperwork on subjective opinions since the information collection is not meant to be objective feedback.

The commenter stated that OCC supervised institutions have many avenues for providing feedback to OCC management regarding its OCC performance. Such avenues include direct phone calls or emails to the OCC management or anonymous feedback through banking associations, bank coalitions, and trade groups. For this reason, the examination questionnaire is duplicative and unnecessary.

The examination questionnaire attempts to receive feedback from bankers on supervision areas they find most valuable and areas that could be improved. The feedback is not meant to be an objective method of collection (as specified by the commenter) because it will be based on individual bank's experiences with the OCC staff and processes. This information is not intended to be representative of the population, but only of the individual financial institution's experiences with OCC staff and processes. Bankers are direct stakeholders in the OCC's supervisory process and have ongoing contact with the OCC's staff and processes to assess the agency's performance. Other stakeholders do not have direct interaction with the OCC's supervisory process to assess the agency's performance.

While the OCC may receive indirect feedback from some of the institutions who have submitted comments to banking associations and trade groups, the examination questionnaire provides every institution supervised by the OCC an opportunity to provide feedback on a voluntary basis. In addition, the examination questionnaire strives to obtain specific feedback on every aspect of the OCC's supervision and examination and to obtain insight into the OCC's performance and progress in improving the supervisory experience and agency communications.

9. *Payment to respondents:*

None.

10. *Any assurance of confidentiality provided to respondents:*

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

11. *Justification for questions of a sensitive nature:*

Not applicable.

12. *Burden estimate:*

The OCC provides the Examination Survey to bank management at the completion of the institution's 12- or 18-month supervisory cycle. After the issuance of the report of examination (ROE), bank management may comment on overall supervision provided throughout the year. Little, if any, research is needed to complete the user-friendly survey, which is designed in a simple and straightforward manner. The OCC expects that, on average, national banks and Federal savings associations will receive approximately one survey per year.

The OCC estimates that, on average, 1,212 national banks and Federal savings associations will complete the Examination Survey. Due to differences in the supervisory cycle between large and small institutions, the OCC estimates that it will receive 0.65 responses per respondent per year. The burden of completing the survey varies. A response may take a very short time if management has no descriptive comments, but it could take 30 minutes or more if management has substantial descriptive comments. The OCC estimates the burden to average approximately 10 minutes.

The OCC estimates the burden as follows:

1,212 banks @ .65 responses per year = 788 responses

788 responses @ 10 minutes per response = 131 burden hours

Cost of Hour Burden

131 Hours x \$101 = \$13,231.

To estimate average hourly wages we reviewed data from May 2014 for wages (by industry and occupation) from the U.S. Bureau of Labor Statistics (BLS) for depository credit intermediation (NAICS 522100). To estimate compensation costs associated with the rule, we use \$101 per hour, which is based on the average of the 90th percentile for seven occupations adjusted for inflation (2 percent), plus an additional 30 percent to cover private sector benefits. Thirty percent represents the average private sector costs of employee benefits.

13. Estimate of annualized cost to respondents:

None.

14. Estimate of annualized cost to the Federal government:

None.

15. Changes in burden:

Current burden: 1,307 banks @ .54 response per year = 706 responses
706 responses @ 10 minutes per response = 118 burden hours

Revised burden: 1,212 banks @ .65 responses per year = 788 responses
788 responses @ 10 minutes per response = 131 burden hours

Difference: ¹95 banks @ .11 responses per year = 82 responses
82 responses @ 10 minutes per response = 14 burden hours

The estimated burden hours have been updated to adjust for the number of national banks and thrifts in the OCC's supervisory system that received the Examination Survey in the past

¹ This revised burden statement reflects an increase in the initial burden statement of 118 hours due to the increased response rate of examination surveys over the past 2 years.

three years and for the number of responses submitted. The OCC also removed the burden for the Post Exit Survey, which has been discontinued.

16. *Information regarding collections whose results are planned to be published for statistical use:*

Not applicable.

17. *Reasons for not displaying OMB approval expiration date:*

Not applicable.

18. *Exceptions to the certification statement:*

None.

B. Collections of Information Employing Statistical Methods.

Not applicable.