

SUPPORTING STATEMENT
NOTIFICATION OF PERFORMANCE OF BANK SERVICES
(OMB No. 3064-0029)

INTRODUCTION

The FDIC is requesting OMB approval to reinstate and allow the continued use of the information collection captioned above. This collection expired on January 31, 2015. There is no change in the method or substance of the collection. The information collection requirements are contained in 12 CFR Part 304 of FDIC's rules and regulations.

Insured state nonmember banks are required to notify the FDIC, under section 7 of the Bank Service Company Act (12 U.S.C. 1867), of the relationship with a bank service company. The Form FDIC 6120/06, NOTIFICATION OF PERFORMANCE OF BANK SERVICES, may be used by banks to satisfy the notification requirement.

A. JUSTIFICATION

1. Circumstances and Need

Section 7 of the Bank Service Company Act (12 U.S.C. 1867) states that any bank regularly examined by a federal supervisory agency that has bank services performed by a third party must notify the agency within 30 days of signing the contract or the start of the service, whichever occurs first. To help insured state nonmember banks comply with the Act the FDIC developed Form FDIC 6120/06. The information to be entered on the form is basically the identity and location of the submitting bank, the identity and location of the servicer and a brief description of the services performed. The form provides respondents with a quick, simple way to submit the required information in a uniform manner. In lieu of the form, a bank may satisfy the notification requirement by submitting a letter stating; the name of the servicer; the address at which the service is performed; the service being performed; and the date the service commenced.

According to the Act, the service becomes subject to examination and regulation by the federal agencies to the same extent as if the service were performed by the bank on its own premises. Section 304.5(b) of FDIC's regulation 12 CFR Part 304 implements the notification requirement of 12 U.S.C. 1867.

2. Use of Information Collected

The information collected from the serviced bank is forwarded to the appropriate FDIC regional office. The information is scanned into the Corporation's Regional Automated Document Distribution (RADD) system. This information is used during the examination process to determine the location of the servicer's records before the examination begins, and whether the servicer itself may need to be examined in the future.

3. Use Technology to Reduce Burden

Applicants are free to use whatever methods are least burdensome for them to supply the required information.

4. Efforts to Identify Duplication

The information required by this collection is not available elsewhere.

5. Minimizing the Burden on Small Banks

All banks, regardless of size, are required to submit the same information. The amount of information to be provided is minimal.

6. Consequences of Less Frequent Collections

Frequency is consistent with the statutory mandate and less frequent collection would result in non-compliance with the law.

7. Special Circumstances

There are no special circumstances.

8. Summary of Public Comments; Consultation with Persons Outside the FDIC

An initial PRA notice seeking comment on this collection was published on July 11, 2016 (81 FR 44863). No comments were received

9. Payment or Gift to Respondents

There are no payments or gifts to respondents.

10. Confidentiality

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

11. Information of a Sensitive Nature

No questions of a sensitive nature are involved.

12. Estimates of Annualized Burden and Associated Costs

Estimated Number of Respondents: 40.

Estimated Time per Response: ½ hour.

Frequency of Response: On occasion.

Total estimated annual burden: 20 hours.

13. Total Annual Cost Burden

None.

14. Annualized Cost to the Federal Government

None.

15. Reason for Change in Burden

There is no program change or adjustment to annual burden.

16. Publication

The information collected is for use by the FDIC bank examination program. It is not published.

17. Expiration Date Display

The new expiration date will be shown on Form FDIC 6120/06, NOTIFICATION OF PERFORMANCE OF BANK SERVICES.

18. Certification Exceptions

None.

B. STATISTICAL METHODS

Statistical methods are not employed in this collection.

