

**Supporting Statement for the  
Notice of Proposed Declaration of Dividend  
(FR 1583; OMB No. 7100-0339)**

**Summary**

The Board of Governors of the Federal Reserve System (Board), under delegated authority from the Office of Management and Budget (OMB), proposes to extend for three years, with revision, the mandatory Notice of Proposed Declaration of Dividend (FR 1583; OMB No. 7100-0339). The FR 1583 is used to collect information on all dividends declared by a subsidiary savings association of a savings and loan holding company (SLHC). The current annual reporting burden for the FR 1583 is estimated to be 73 hours and would remain unchanged with the proposed revisions.

**Background and Justification**

Section 10(f) of the Home Owners' Loan Act, as amended (HOLA) (12 U.S.C. § 1467a(f)), and section 238.101 of Regulation LL, Savings and Loan Holding Companies, (12 CFR 238.101) provide that every savings association that is a subsidiary of an SLHC is required to provide the Federal Reserve at least 30 days' prior notice of any dividend that its board of directors intends to declare.

**Description of Information Collection**

Savings association subsidiaries of SLHCs provide prior notice of a dividend by filing form FR 1583 that requires information on 1) the date of the filing, 2) the nature and amount of the proposed dividend declaration, and 3) the names and signatures of the executive officer and secretary of the savings association that have provided the notice. The savings association subsidiary must file this prior notice at least 30 days before the proposed declaration of a dividend by its board of directors. This notice may include a schedule proposing dividends of over a specified period, up to 12 months.

The statute also provides that the 30 day period commences on the date of receipt of the complete record of the notice by the Federal Reserve. The Federal Reserve Board may request additional information or may impose conditions for the dividend and may determine that such dividend does not comply with the requirements of 12 CFR Part 238, subpart K.

**Proposed Revisions**

The Board proposes to change all references to the Office of Thrift Supervision (OTS) with references to the Board or the Reserve Banks and all citations to the former OTS regulations with citations to the Board's Regulation LL. With respect to information that is included in the form, the Board proposes to require the nature of dividend to be identified (e.g., cash, stock) that the savings association subsidiary's board of directors intends to distribute. Finally, the Board proposes several stylistic and grammatical changes to the form and instructions.

## **Time Schedule for Information Collection**

This information collection is event generated. Any savings association that is a subsidiary of a savings and loan holding company must file a notice with the appropriate Reserve Bank at least 30 days before a proposed declaration of a dividend by its board of directors.

## **Legal Status**

The Board's Legal Division had determined that FR 1583 is authorized by section 10(f) of the Home Owners' Loan Act, as amended (12 U.S.C. § 1467a(f)), and provides that every subsidiary savings association of an SLHC shall give the Board at least 30 days' advance notice of the proposed declaration by its directors of any stock dividend. The obligation to respond is mandatory.

The FR 1583 collects information concerning the amount of capital that an SLHC's subsidiary savings association intends to distribute. Specifically, the form asks for the name and address of the savings association, the date of the filing, the nature and amount of the proposed dividend declaration, and the names and signatures of the executive officer and secretary of the savings association.

The information collected on the FR 1583 is generally not considered confidential. It is possible that a savings association or SHLC could seek confidential treatment under the Freedom of Information Act (FOIA) exemption 4 (5 U.S.C. § 552(b)(4)) for the nature and amount of the proposed dividend declaration, in which case the institution would need to submit a request stating that disclosure of the specific information would likely result in substantial harm to its competitive position and demonstrating the specific nature of the harm that would result from public release of the information. FOIA exemption 4 covers commercial or financial information obtained from a person that is privileged or confidential. The determination of whether confidential treatment should be granted will have be made on a case-by-case basis.

## **Consultation Outside the Agency**

On June 1, 2016, the Board published a notice in the *Federal Register* (81 FR 35015) requesting public comment for 60 days on the extension, with revision, of the FR 1583. The comment period for this notice expired on August 1, 2016. The Board did not receive any comments. On August 17, 2016, the Board published a final notice in the *Federal Register* (81 FR 54804).

## **Estimates of Respondent Burden**

The annual reporting burden for FR 1583 is estimated to be 73 hours as shown in the following table. These reporting requirements represent less than 1 percent of total Federal Reserve System paperwork burden.

<b>FR 1583</b>	<i>Number of respondents<sup>1</sup></i>	<i>Annual frequency<sup>2</sup></i>	<i>Estimated average time per response</i>	<i>Estimated annual burden hours</i>
Notice of Proposed Declaration of Dividend	133	2	16.5 minutes	73

The total annual cost to the public for this information collection is estimated to be \$3,880.<sup>3</sup>

### **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 estimated cost to the Federal Reserve System for collecting and processing these reports is negligible.

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<sup>1</sup> Of these respondents, 77 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/contracting/getting-started-contractor/make-sure-you-meet-sba-size-standards/table-small-business-size-standards](http://www.sba.gov/contracting/getting-started-contractor/make-sure-you-meet-sba-size-standards/table-small-business-size-standards).

<sup>2</sup> Average number of FR 1583 forms received annually, per respondent, in 2015.

<sup>3</sup> 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](http://www.bls.gov/news.release/ocwage.t01.htm). Occupations are defined using the BLS Occupational Classification System, [www.bls.gov/soc/](http://www.bls.gov/soc/).