

**Supporting Statement for the
Savings Association Holding Company Report
(FR H-(b)11; OMB No. 7100-0334)**

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 minor revision, the Savings Association Holding Company Report (FR H-(b)11; OMB No. 7100-0334). The FR H-(b)11 is authorized by section 10 of the Home Owners' Loan Act, which requires savings and loan holding companies (SLHCs) to file "such reports as may be required by the Board" and provides that such reports "shall contain such information concerning the operations of such SLHC and its subsidiaries as the Board may require" (12 U.S.C. § 1467a(b)(2)(A)). The information collection is available to the public upon request through the appropriate Federal Reserve Bank. The Board uses the FR H-(b)11 data to analyze the overall financial condition of SLHCs to ensure safe and sound operations. The Board proposes to eliminate the requirement that a publicly-traded SLHC submit a copy of its filings with the U.S. Securities and Exchange Commission (SEC). The current annual burden for the FR H-(b)11 is estimated to be 120 hours and would remain unchanged with the proposed revision.

Background and Justification

Title III of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) transferred all former Office of Thrift Supervision (OTS) authorities (including reporting forms) related to SLHCs to the Federal Reserve effective July 21, 2011. Among the OTS information collections transferred to the Board was the Savings Association Holding Company Report (H-(b)11) known as the Annual/Current Report.

The Board uses the FR H-(b)11 data to analyze the overall financial condition of SLHCs to ensure safe and sound operations. The information is also used to assess an SLHC's ability to be a continuing source of strength to its savings association operations and in determining whether an institution is in compliance with applicable laws and regulations. The FR H-(b)11 data collection contributes to the analyses of the overall financial condition of respondent SLHCs to ensure safe and sound operations.

Description of Information Collection

The FR H-(b)11 collects quarterly from exempt SLHCs information on filings with the SEC reports provided by the nationally recognized statistical rating organizations and securities analysts, supplemental information for select questions from the Quarterly Savings and Loan Holding Company Report (FR 2320; OMB No. 7100-0345), financial statements, and other materially important events and exhibits. Certain SLHCs were exempt from initially transitioning to the Federal Reserve regulatory reports as stated in the final *Federal Register* notice.¹ Exempt SLHCs include (1) a grandfathered unitary SLHC whose assets are primarily commercial and whose thrifts make up less than 5 percent of its consolidated assets and (2) a

¹ See 76 FR 81933, December 29, 2011.

SLHC whose assets are primarily insurance-related and who does not otherwise submit financial reports with the SEC pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934. Nonexempt SLHCs file either the Consolidated Financial Statements for Holding Companies (FR Y-9C; OMB No. 7100-0128) or the Parent Company Only Financial Statements for Small Holding Companies (FR Y-9SP; OMB No. 7100-0128). The reported items in the FR H-(b)11 report include (1) filings with the SEC, (2) reports provided by nationally recognized statistical rating organizations and securities analysts, (3) supplemental information for questions on the FR 2320, (4) other materially important events, (5) financial statements, and (6) other exhibits.

Proposed Revisions

The Board proposes to eliminate the requirement that a publicly-traded SLHC submit a copy of its filings with the SEC effective for December 31, 2016. These filings are publicly available through the SEC's Edgar online system. Therefore, the Board does not see a reason for publicly-traded SLHCs to submit these documents.

Time Schedule for Information Collection

The FR H-(b)11 Current Report is required to be submitted quarterly 45 calendar days after the end of the quarter, except that the filing deadline for the FR H-(b)11 Annual Report is 90 calendar days after the end of the SLHC's fiscal year. A Current Report must also be filed when there has been a material change of the information reported. A material change is any even which may affect the records of the Federal Reserve (e.g., a name change) or which may affect the savings and loan holding company structure, as well as any information which an SLHC deems to be of material importance. Note that a non-public company with assets of \$500 million or more may file the audited financial statements required by the FR H-(b)11 Annual report within 120 days after the end of the fiscal year.

Legal Status

The Board's Legal Division has determined that the FR H-(b)11 is authorized by section 10 of the Home Owners' Loan Act, which requires SLHCs to file "such reports as may be required by the Board" and provides that such reports "shall contain such information concerning the operations of such SLHC and its subsidiaries as the Board may require" (12 U.S.C. §1467a(b)(2)(A)). The obligation to respond is mandatory.

The FR H-(b)11 covers 6 different items. Item 1 consists of filings made by the SLHC with the SEC and item 2 consists of reports provided by nationally recognized statistical rating organizations and securities analysts on any company in the SLHC's consolidated organization. Neither of these items should raise any issue of confidentiality. Item 3 consists of supplemental information for any questions on the FR 2320 to which the SLHC answered yes. Supplemental information in response to a yes answer for the FR 2320's questions 24, 25, and 26 may be protected from disclosure under exemption 4 of the Freedom of Information Act (FOIA), which covers "trade secrets and commercial or financial information obtained from a person [that is] privileged or confidential." These questions concern any new or changed pledges of capital stock of any subsidiary savings association that secures short-term or long-term debt or other

borrowings of the SLHC; changes to any class of securities of the SLHC or any of its subsidiaries that would negatively impact investors; and any default of the SLHC or any of its subsidiaries during the quarter. Disclosure of this type of information is likely to cause substantial competitive harm to the SLHC providing the information and thus this information may be protected from disclosure under FOIA exemption 4 (5 U.S.C. § 522(b)(4)).

With regard to the supplemental information for other FR 2320 questions that would be provided in item 3 of the FR H-(b)11, as well as item 4 (Other Materially Important Events), item 5 (Financial Statements), and item 6 (Exhibits – essentially copies not previously filed of its charter or bylaws), the respondent may request confidential treatment of such information under one or more of the exemptions in the FOIA. The most likely case for confidential treatment will be exemption 4 (5 U.S.C. §§522(b)(4)). However, all such requests for confidential treatment would need to be reviewed on a case-by-case basis and in response to a specific request for disclosure.

Consultation Outside the Agency

On July 22, 2016, the Board published a notice in the *Federal Register* (81 FR 47801) requesting public comment for 60 days on the extension, with revision, of FR H-(b)11. The comment period for this notice expired on September 20, 2016. The Board did not receive any comments. On December 7, 2016, the Board published a final notice in the *Federal Register* (81 FR 88238).

Estimate of Respondent Burden

The annual burden associated with the FR H-(b)11 is estimated to be 120 hours. The Board believes that the proposed change to the FR H-(b)11 applies to a small number of institutions over the whole panel; therefore, there is no substantive change in the average hours per response. These reporting requirements represent less than 1 percent of the total Federal Reserve System paperwork burden.

	<i>Number of respondents²</i>	<i>Annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
FR H-(b)11	15	4	2	120

The total annual cost to the public of this information collection is estimated to be \$6,378.³

² Of these respondents, one is considered a small entity 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.

³ 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/.

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 annual cost to the Federal Reserve System for printing, mailing, and processing FR H-(b)11 is negligible.