Supporting Statement for the
Recordkeeping and Disclosure Requirements Associated with Regulation Q
(FR 4200; OMB No. 7100-0313)

Regulatory Capital Rules: Implementation of Risk-Based Capital Surcharges for Global Systemically Important Bank Holding Companies
(Docket No. R-1505) (RIN 7100-AE26)

Summary

The Board of Governors of the Federal Reserve System (Board), under delegated authority from the Office of Management and Budget (OMB), proposes to revise the Recordkeeping and Disclosure Requirements Associated with Regulation Q (FR 4200; OMB No. 7100-0313). In September and October of 2013, the Office of the Comptroller of the Currency (OCC), the Board, and the Federal Deposit Insurance Corporation (FDIC) (collectively, the agencies) published final rules[1] that revised their risk-based and leverage capital requirements for banking organizations. For the Board, Regulation Q - Capital Adequacy of Bank Holding Companies, Savings and Loan Holding Companies, and State Member Banks was revised and created recordkeeping and disclosure requirements.

The Board is proposing to revise FR 4200 by requiring new recordkeeping requirements for global systemically important bank holding companies (GSIBs). The Board's annual burden for this information collection is estimated to be 66,622 hours, an increase of 11 hours from the current burden of 66,611 hours.

Background and Justification

Section 1831o(c) of the Federal Deposit Insurance Act requires each federal banking agency to adopt a risk-based capital requirement, which is based on the prompt corrective action framework in that section. The International Lending Supervision Act of 1984 (ILSA), (12 U.S.C. § 3907(a)(1)), mandates that each federal banking agency require banks to achieve and maintain adequate capital by establishing minimum levels of capital or by other methods that the applicable federal banking agency may deem appropriate. Section 908 of the ILSA, (12 U.S.C. §47907(b)(47)(C)), also directs the Chairman of the Federal Reserve and the Secretary of the Treasury to encourage governments, central banks, and regulatory authorities of other major banking countries to work toward maintaining and, where appropriate, strengthening the capital bases of banking institutions involved in international lending.

On December 7, 2007, the OCC, the Board, the FDIC, and the Office of Thrift Supervision (OTS) issued the joint final rule (December 2007 final rule) titled Risk-Based Capital Standards: Advanced Capital Adequacy Framework (rule) implementing a risk-based regulatory capital framework for institutions in the United States (72 FR 69288). The rule was based on the June 2004 Basel Committee on Banking Supervision's document, "International Convergence of Capital Measurement and Capital Standards: A Revised Framework" (New Accord).

[1] See 78 FR 55340 (September 10, 2013) and 78 FR 62018 (October 11, 2013).

The December 2007 final rule implemented the New Accord in the United States and builds on improvements to risk assessment approaches that a number of large banks have adopted over the last two decades. In particular, the rule required banks to assign risk parameters to exposures and provides specific risk-based capital formulas that are used to transform these risk parameters into risk-based capital requirements. The collection of information contained in the rule was necessary to ensure that the new risk-based regulatory capital framework is implemented in the United States in a safe and sound manner.

On October 11, 2013, the OCC and the Board adopted a final rule that revised their risk-based and leverage capital requirements for banking organizations. The final rule consolidated three separate notices of proposed rulemaking that the OCC, Board, and FDIC published with selected changes.[2] The final rule implemented a revised definition of regulatory capital, a new common equity tier 1 minimum capital requirement, a higher minimum tier 1 capital requirement, and, for banking organizations subject to the advanced approaches risk-based capital rules, a supplementary leverage ratio that incorporated a broader set of exposures in the denominator. The final rule incorporated these new requirements into the agencies' prompt corrective action framework. In addition, the final rule established limits on a banking organization's capital distributions and certain discretionary bonus payments if the banking organization does not hold a specified amount of common equity tier 1 capital in addition to the amount necessary to meet its minimum risk-based capital requirements. Further, the final rule amended the methodologies for determining risk-weighted assets for all banking organizations, and introduced disclosure requirements that would apply to top-tier banking organizations domiciled in the United States with $50 billion or more in total assets. The final rule also adopted changes to the agencies' regulatory capital requirements that meet the requirements of section 171 and section 939A of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act).[3]

The final rule also codified the agencies' regulatory capital rules, which had previously resided in various appendices to their respective regulations, into a harmonized integrated regulatory framework. In addition, the Board amended the advanced approaches and market risk rules to apply to top-tier savings and loan holding companies domiciled in the United States, except for certain savings and loan holding companies that are substantially engaged in insurance underwriting or commercial activities.

Description of Information Collection

The recordkeeping requirements are found in sections 217.3(d), 217.22(h)(2)(iii)(A), 217.35(b)(3)(i)(A), 217.37(c)(4)(i)(E), 217.41(b)(3), 217.41(c)(2)(i), 217.41(c)(2)(ii), 217.121(b), 217.122, 217.123, 217.124, 217.132(b)(2)(iii)(A), 217.132(b)(3), 217.132(d)(1), 217.132(d)(1)(iii), 217.132(d)(2)(iv), 217.132(d)(3)(vi), 217.132(d)(3)(viii), 217.132(d)(3)(ix), 217.132(d)(3)(x), 217.132(d)(3)(xi), 217.141(b)(3), 217.141(c)(1), 217.141(c)(2)(i)-(ii), and 217.153. The disclosure requirements are found in sections 217.42(e)(2), 217.62, 217.63, 217.142, 217.172, and 217.173 Tables 4, 5, 9, 12, and 13. No other federal law mandates these recordkeeping and disclosure requirements.

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[2] See 77 FR 52792, 77 FR 52888, and 77 FR 52978 (August 30, 2012).

[3] See Public Law 111–203, 124 Stat. 1376, 1435–38 (2010).

Minimum Capital Ratios

Recordkeeping Requirements

Section 217.3(d) provides for termination and close-out netting across multiple types of transactions or agreements if the bank obtains a written legal opinion verifying the validity and enforceability of the agreement under certain circumstances and maintains sufficient written documentation of this legal review.

Section 217.22(h)(2)(iii)(A) allows the use of a conservative estimate of the amount of a bank's investment in the capital of unconsolidated financial institutions held through the index security with prior approval by the appropriate agency.

Standardized Approach

Recordkeeping Requirements

Section 217.35(b)(3)(i)(A) requires, for a cleared transaction with a qualified central counterparty (QCCP), that a client bank apply a risk weight of 2 percent, provided that the collateral posted by the bank to the QCCP is subject to certain arrangements and the client bank has conducted a sufficient legal review (and maintains sufficient written documentation of the legal review) to conclude with a well-founded basis that the arrangements, in the event of a legal challenge, would be found to be legal, valid, binding, and enforceable under the law of the relevant jurisdictions.

Section 217.37(c)(4)(i)(E) requires that a bank have policies and procedures describing how it determines the period of significant financial stress used to calculate its own internal estimates for haircuts and be able to provide empirical support for the period used.

Section 217.41(b)(3) allows for synthetic securitizations a bank's recognition, for risk-based capital purposes, of a credit risk mitigant to hedge underlying exposures if certain conditions are met, including the bank's having obtained a well-reasoned opinion from legal counsel that confirms the enforceability of the credit risk mitigant in all relevant jurisdictions.

Section 217.41(c)(2)(i) requires that a bank support a demonstration of its comprehensive understanding of a securitization exposure by conducting and documenting an analysis of the risk characteristics of each securitization exposure prior to its acquisition, taking into account a number of specified considerations.

Section 217.41(c)(2)(ii) requires on an on-going basis (no less frequently than quarterly), a bank must evaluate, review, and update as appropriate the analysis required under this section for each securitization exposure.

Disclosure Requirements

Section 217.42(e)(2) addresses risk-weighted assets for securitization exposures and requires that a bank publicly disclose that is has provided implicit support to the securitization and the risk-based capital impact to the bank of providing such implicit support.

Section 217.62 sets forth disclosure requirements related to a bank's capital requirements. Section 217.62(a) specifies a quarterly frequency for the disclosure of information in the applicable tables set out in section 63 and, if a significant change occurs, such that the most recent reported amounts are no longer reflective of the bank's capital adequacy and risk profile, it also requires the bank to disclose as soon as practicable thereafter, a brief discussion of the change and its likely impact. This section allows for annual disclosure of qualitative information that typically does not change each quarter, provided that any significant changes are disclosed in the interim. Section 217.62(b) requires that a bank have a formal disclosure policy approved by the board of directors that addresses its approach for determining the disclosures it makes. The policy is required to address the associated internal controls and disclosure controls and procedures. Section 217.62(c) requires a bank with total consolidated assets of $50 billion or more that is not an advanced approaches bank, if it concludes that specific commercial or financial information required to be disclosed under section 217.62 is exempt from disclosure by the agency under the Freedom of Information Act (5 U.S.C. § 552), to disclose more general information about the subject matter of the requirement and the reason the specific items of information have not been disclosed.

Section 217.63 sets forth disclosure requirements for banks with total consolidated assets of $50 billion or more that are not advanced approaches banks. Section 217.63(a) requires a covered institution to make the disclosures in Tables 1 through 10. The covered institution must make these disclosures publicly available for each of the last three years (that is, twelve quarters) or such shorter period beginning on January 1, 2015. Section 217.63(b) requires quarterly disclosure of a bank's common equity tier 1 capital, additional tier 1 capital, tier 2 capital, tier 1 and total capital ratios, including the regulatory capital elements and all the regulatory adjustments and deductions needed to calculate the numerator of such ratios; total risk-weighted assets, including the different regulatory adjustments and deductions needed to calculate total risk-weighted assets; regulatory capital ratios during any transition periods, including a description of all the regulatory capital elements and all regulatory adjustments and deductions needed to calculate the numerator and denominator of each capital ratio during any transition period; and a reconciliation of regulatory capital elements as they relate to its balance sheet in any audited consolidated financial statements.

Tables 1 through 10 in section 217.63 set forth qualitative and quantitative disclosure requirements for scope of application, capital structure, capital adequacy, capital conservation buffer, credit risk, counterparty credit risk-related exposures, credit risk mitigation, securitizations, equities not subject to Subpart F (Risk-Weighted Assets - Market Risk) of the rule, and interest rate risk for non-trading activities.

Advanced Approach

Recordkeeping Requirements

Sections 217.121 and 122 requires that a covered institution adopt a written implementation plan that addresses how it will comply with the advanced capital adequacy framework's qualification requirements, including incorporation of a comprehensive and sound planning and governance process to oversee the implementation efforts. The institution must also develop processes for assessing capital adequacy in relation to an organization's risk profile. It must establish and maintain internal risk rating and segmentation systems for wholesale and retail risk exposures, including comprehensive risk parameter quantification processes and processes for annual reviews and analyses of reference data to determine their relevance. It must document its process for identifying, measuring, monitoring, controlling, and internally reporting operational risk; verify the accurate and timely reporting of risk-based capital requirements; and monitor, validate, and refine its advanced systems.

Section 217.123 requires an institution to notify its Federal supervisor of changes to advance systems and requires submission of a plan for returning to compliance with qualification requirements.

Section 217.124 requires an institution to notify its primary Federal supervisor when it makes a material change to its advanced systems and to develop an implementation plan after any mergers.

Section 217.132(b)(2)(iii)(A) addresses counterparty credit risk of repo-style transactions, eligible margin loans, and over-the-counter (OTC) derivative contracts and allows an institution, with the prior written approval of the agency, to calculate haircuts (H_s and H_{fx}) using its own internal estimates of the volatilities of market prices and foreign exchange rates. To receive Board approval to use its own internal estimates, an institution must satisfy the minimum quantitative standards outlined in this section.

Section 217.132(b)(3) provides that with the prior written approval of the agency, an institution may estimate exposure at default (EAD) for a netting set using a value-at-risk (VaR) model that meets certain requirements.

Section 217.132(d)(1) allows the use of the internal models methodology to determine EAD for counterparty credit risk for derivative contracts with prior written approval.

Section 217.132(d)(1)(iii) allows the use of the internal models methodology for derivative contracts, eligible margin loans, and repo-style transactions subject to a qualifying cross-product netting agreement with prior written approval.

Section 217.132(d)(2)(iv) provides that for risk-weighted assets using the internal models methodology (IMM), an institution uses an internal model to estimate the expected exposure (EE) for a netting set and then calculates EAD based on that EE. An institution must calculate

two EEs and two EADs (one stressed and one unstressed) for each netting as outlined in this section.

Section 217.132(d)(3)(vi) requires that an institution, in order to obtain agency approval to calculate the distributions of exposures upon which the EAD calculation is based, must demonstrate to the satisfaction of the agency that it has been using for at least one year an internal model that broadly meets the minimum standards, with which the institution must maintain compliance. The institution must have procedures to identify, monitor, and control wrong-way risk throughout the life of an exposure. The procedures must include stress testing and scenario analysis.

Section 217.132(d)(3)(viii) requires that when estimating model parameters based on a stress period, the institution must use at least three years of historical data that include a period of stress to the credit default spreads of the institution's counterparties. The institution must review the data set and update the data as necessary, particularly for any material changes in its counterparties. The institution must demonstrate at least quarterly that the stress period coincides with increased credit default swap (CDS) or other credit spreads of the institution's counterparties. The institution must have procedures to evaluate the effectiveness of its stress calibration that include a process for using benchmark portfolios that are vulnerable to the same risk factors as the institution's portfolio. The agency may require the institution to modify its stress calibration to better reflect actual historic losses of the portfolio.

Section 217.132(d)(3)(ix) requires that an institution subject its internal model to an initial validation and annual model review process. The model review should consider whether the inputs and risk factors, as well as the model outputs, are appropriate. As part of the model review process, the institution must have a backtesting program for its model that includes a process by which unacceptable model performance will be determined and remedied.

Section 217.132(d)(3)(x) requires that an institution must have policies for the measurement, management, and control of collateral and margin amounts.

Section 217.132(d)(3)(xi) requires that an institution have a comprehensive stress testing program that captures all credit exposures to counterparties, and incorporates stress testing of principal market risk factors and creditworthiness of counterparties.

Section 217.141 addresses operational criteria for recognizing the transfer of risk. Section 217.141(b)(3) requires a well-reasoned legal opinion confirming the enforceability of the credit risk mitigant in all relevant jurisdictions. Section 217.141(c)(1) and 217.141(c)(2)(i) require an advanced approaches institution to demonstrate its comprehensive understanding of a securitization exposure for each securitization exposure by conducting an analysis of the risk characteristics of a securitization exposure prior to acquiring the exposure and document such analysis within three business days after acquiring the exposure. Section 217.141(c)(2)(ii) requires that, on an ongoing basis (no less frequently than quarterly), a bank must evaluate, review, and update as appropriate the analysis required under this section for each securitization exposure.

Section 217.153 provides that an institution must receive prior written approval from its primary Federal supervisor before it can use internal models approach (IMA).

Disclosure Requirements

Section 217.142 which outlines the capital treatment for securitization exposures, requires that an institution disclose publicly that it has provided implicit support to the securitization and the regulatory capital impact to the bank of providing such implicit support.

Section 217.172 specifies that each consolidated institution must publicly disclose its total and tier 1 risk-based capital ratios and their components.

Section 217.173 requires an institution that is an advanced approaches institution to make the qualitative and quantitative disclosures described in Tables 1 through 12. The institution must make these disclosures publicly available for each of the last three years (that is, twelve quarters) or such shorter period beginning on January 1, 2014. Table 4 to section 217.173 addresses disclosures related to capital conservation and countercyclical capital buffers, Table 5 to section 217.173 addresses general disclosures related to credit risk, Table 9 to section 217.173 addresses disclosures related to securitizations, Table 12 to section 217.173 addresses disclosures related to interest rate risk for non-trading activities, and Table 13 to section 217.173 addresses disclosures related to supplementary leverage ratios.

Proposed Revisions

Section 165 of the Dodd-Frank Act directs the Board to establish enhanced prudential standards for bank holding companies with $50 billion or more in total consolidated assets and for nonbank financial companies that the Financial Stability Oversight Council (Council) has designated for supervision by the Board (nonbank financial companies supervised by the Board). These standards must include risk-based capital requirements as well as other enumerated standards. They must be more stringent than the standards applicable to other bank holding companies and to nonbank financial companies that do not present similar risks to U.S. financial stability. These standards must also increase in stringency based on several factors, including the size and risk characteristics of a company subject to the rule, and the Board must take into account the differences among bank holding companies and nonbank financial companies.

On August 14, 2015, the Board adopted a final rule that established risk-based capital surcharges for the largest, most interconnected U.S.-based bank holding companies pursuant to section 165 of the Dodd-Frank Act. The final rule requires a U.S. top-tier bank holding company that is an advanced approaches institution to calculate a measure of its systemic importance. A bank holding company whose measure of systemic importance exceeds a defined threshold would be identified as a global systemically important bank holding company and would be subject to a risk-based capital surcharge (GSIB surcharge). The GSIB surcharge is phased in beginning on January 1, 2016, through year-end 2018, and becomes fully effective on January 1, 2019. The final rule also revises the terminology used to identify the bank holding companies subject to the enhanced supplementary leverage ratio standards to ensure consistency in the scope of application between the enhanced supplementary leverage ratio standards and the GSIB

surcharge framework. The final rule contains requirements subject to the Paperwork Reduction Act (PRA). The recordkeeping requirements are found in sections 217.402 and 217.403.

A bank holding company is a global systemically important BHC if its method 1 score equals or exceeds 130 basis points. A BHC must calculate its method 1 and method 2 scores on an annual basis by December 31 of each year.

Section 217.402 requires an advanced approaches BHC to annually calculate its method 1 score, which is the sum of its systemic indicator scores for the twelve systemic indicators set forth in Table 1 of the final rule. The systemic indicator score in basis points for a given systemic indicator is equal to the ratio of the amount of that systemic indicator, as reported on the bank holding company's most recent Banking Organization Systemic Risk Report (FR Y-15; OMB No. 7100-0352); to the aggregate global indicator amount for that systemic indicator published by the Board in the fourth quarter of that year; multiplied by 10,000; and multiplied by the indicator weight corresponding to the systemic indicator as set forth in Table 1 of the final rule.

Section 217.403 requires a BHC to annually calculate its GSIB surcharge, which is the greater of its method 1 and method 2 scores. The method 2 score is equal to the sum of the global systemically important BHC's systemic indicator scores for the nine systemic indicators set forth in Table 1 of the final rule and the global systemically important BHC's short-term wholesale funding score. The systemic indicator score is equal to the amount of the systemic indicator, as reported on the global systemically important BHC's most recent FR Y-15, multiplied by the coefficient corresponding to the systemic indicator set forth in Table 1 of the final rule.

Time Schedule for Information Collection

This information collection contains recordkeeping and disclosure requirements, as mentioned above. The recordkeeping requirements are required annually and the disclosure requirements are required annually and quarterly.

Legal Status

The Board's Legal Division has determined that section 38(o) of the Federal Deposit Insurance Act (12 U.S.C. § 1831o(c)), section 908 of the International Lending Supervision Act of 1983 (12 U.S.C. § 3907(a)(1)), section 9(6) of the Federal Reserve Act (12 U.S.C. § 324), and section 5(c) of the Bank Holding Company Act (12 U.S.C. § 1844(c)) authorize the Board to require the information collection. The obligation to respond to this information collection is mandatory. If a respondent considers the information to be trade secrets and/or privileged such information could be withheld from the public under the authority of the Freedom of Information Act (5 U.S.C. § 552(b)(4)). Additionally, to the extent that such information may be contained in an examination report such information maybe also be withheld from the public (5 U.S.C. § 552 (b)(8).

Consultation Outside the Agency

On December 18, 2014, the Board published a notice of proposed rulemaking in the *Federal Register* (79 FR 75473) for public comment. The comment period for this notice expired on March 2, 2015. The Board received no comments on the PRA. On August 14, 2015, the Board published a final rule in the *Federal Register* (80 FR 49082). The final rule is effective on December 1, 2015.

Estimate of Respondent Burden

The current annual burden for the FR 4200 is estimated to be 66,611 hours. The proposed recordkeeping requirements would increase the estimated annual burden hours by 11 hours. These recordkeeping and disclosure requirements represent less than 1 percent of the total Federal Reserve System paperwork burden.

FR 4200	*Number of respondents*	*Annual frequency*	*Estimated average hours per response*	*Estimated annual burden hours*
Current				
One-Time				
Standardized Approach				
Recordkeeping				
Sections 217.35(b)(3)(i)(A), 217.37(c)(4)(i)(E), 217.41(b)(3), and 217.41(c)(2)(i)	1	1	122	122
Disclosure				
Sections 217.42(e)(2), 217.62, and 217.63	1	1	226.25	226
Advanced Approach				
Recordkeeping				
Sections 217.132(b)(2)(iii)(A), 217.132(d)(2)(iv), 217.132(d)(3)(vi), 217.132(d)(3)(viii), 217.132(d)(3)(ix), 217.132(d)(3)(x), 217.132(d)(3)(xi), 217.141(b)(3), 217.141(c)(1), 217.141(c)(2)(i)-(ii), and 217.153	1	1	460	460
Disclosure				
Section 217.173 Tables 4, 5, 9, and 12	1	1	280	280
Current Total One-Time				1,088
Ongoing				
Minimum Capital Ratios				
Recordkeeping				
Sections 217.3(d) and 217.22(h)(2)(iii)(A)	1,431	1	16	22,896
Standardized Approach				
Recordkeeping				
Sections 217.35(b)(3)(i)(A), 217.37(c)(4)(i)(E), and 217.41(c)(2)(ii)	1,431	1	20	28,620

Disclosure				
Sections 217.42(e)(2), 217.62, and 217.63	25	1	131.25	3,281
Advanced Approach				
Recordkeeping				
Sections 217.121(b), 217.122, 217.123, 217.124, 217.132(b)(2)(iii)(A), 217.132(b)(3), 217.132(d)(1), 217.132(d)(1)(iii), 217.132(d)(2)(iv), 217.132(d)(3)(viii), 217.132(d)(3)(ix), 217.132(d)(3)(xi), and 217.141(c)(2)(i)-(ii)	17	1	560.77	9,533
Disclosure				
Sections 217.142, 217.172, and 217.173 Tables 4, 5, 9, and 12	17	1	40.78	693
Section 217.173 Table 13	25	4	5	500
Current Total Ongoing				65,523
Current Total				66,611

FR 4200	*Number of respondents*[4]	*Annual frequency*	*Estimated average hours per response*	*Estimated annual burden hours*
Proposed				
One-Time				
Standardized Approach				
Recordkeeping				
Sections 217.35(b)(3)(i)(A), 217.37(c)(4)(i)(E), 217.41(b)(3), and 217.41(c)(2)(i)	1	1	122	122
Disclosure				
Sections 217.42(e)(2), 217.62, and 217.63	1	1	226.25	226
Advanced Approach				
Recordkeeping				
Sections 217.132(b)(2)(iii)(A), 217.132(d)(2)(iv), 217.132(d)(3)(vi), 217.132(d)(3)(viii), 217.132(d)(3)(ix), 217.132(d)(3)(x), 217.132(d)(3)(xi), 217.141(b)(3), 217.141(c)(1), 217.141(c)(2)(i)-(ii), and 217.153	1	1	460	460
Disclosure				
Section 217.173 Tables 4, 5, 9, and 12	1	1	280	280
Proposed Total One-Time				1,088
Ongoing				
Minimum Capital Ratios				
Recordkeeping				
Sections 217.3(d) and 217.22(h)(2)(iii)(A)	1,431	1	16	22,896

[4] Of these respondents, 628 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.

Standardized Approach				
Recordkeeping				
Sections 217.35(b)(3)(i)(A), 217.37(c)(4)(i)(E), and 217.41(c)(2)(ii)	1,431	1	20	28,620
Disclosure				
Sections 217.42(e)(2), 217.62, and 217.63	25	1	131.25	3,281
Advanced Approach				
Recordkeeping				
Sections 217.121(b), 217.122, 217.123, 217.124, 217.132(b)(2)(iii)(A), 217.132(b)(3), 217.132(d)(1), 217.132(d)(1)(iii), 217.132(d)(2)(iv), 217.132(d)(3)(viii), 217.132(d)(3)(ix), 217.132(d)(3)(xi), and 217.141(c)(2)(i)-(ii)	17	1	560.77	9,533
Disclosure				
Sections 217.142, 217.172, and 217.173 Tables 4, 5, 9, and 12	17	1	40.78	693
Section 217.173 Table 13	25	4	5	500
Risk-based Capital Surcharge for GSIBs				
Recordkeeping				
Sections 217.402 and 217.403	21	1	0.5	11
Proposed Total Ongoing				65,534
Proposed Total				66,622
Change				11

The current annual cost to the public of this information collection is estimated to be $3,656,944 and would increase to $3,657,548 with the proposed revisions.[5]

[5] 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 $18, 45% Financial Managers at $67, 15% Lawyers at $67, and 10% Chief Executives at $93). 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 2016*, published March 31, 2017, www.bls.gov/news.release/ocwage.nr0.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 cost to the Federal Reserve System is negligible.