**SUPPORTING STATEMENT**
FOREIGN BANKS
(3064-0114)

INTRODUCTION

The FDIC is adopting a final rule implementing a revision to it regulations found at 12 CFR Part 347 modifying provisions pertaining to the pledge of assets by insured branches of foreign banks. The reports and documentation for the pledge constitute collections of information under the PRA which has been cleared by OMB (Control No. 3064-0114) and currently expires on June 30, 2019. The FDIC is requesting OMB approval for a revision of the captioned collection of information.

This information collection consists of, among other things, internal recordkeeping by insured branches of foreign banks, and reporting requirements related to an insured branch's pledge of assets to the FDIC. Under the final rule, all assets pledged to the FDIC under subpart B must be investment grade, highly liquid, and subject to a fair value discount. Several types of assets pledged by banks under subpart B would be categorically investment grade and highly liquid, and subject to a zero percent discount under the final rule. Insured branches of foreign banks will be able to continue to pledge these assets without any adjustment to their reporting and recordkeeping requirements. To the extent that an insured branch of a foreign bank pledges an asset that would not be categorically investment grade, highly liquid, or that would not receive a zero percent discount, the FDIC expects minimal additional burden to accompany such a pledge of assets. Recordkeeping associated with the diligence that will be required for determining that an asset is highly liquid and investment grade is already expected of these institutions as part of their pre-purchase and ongoing investment due diligence. Similarly, the calculation of the applicable fair value discount is based on the risk weight of the applicable asset under the Basel III capital rules, which is an analysis that should already be undertaken by these institutions. Therefore, the FDIC expects that any resulting changes in burden will be so minimal that they will not alter the existing PRA burden estimates of this collection. Notwithstanding the fact that the FDIC does not expect a change in burden, the final rule may alter to some extent the nature of the recordkeeping requirements associated with subpart B.

A. JUSTIFICATION

Application for consent to move an insured branch of a foreign bank.

The FDIC's regulations at 12 CFR 303.184 provide an administrative procedure for insured branches of foreign banks to apply to the FDIC for permission to move. The application constitutes an information collection under the PRA.

Application for consent to operate as a noninsured branch

The International Banking Act at 12 U.S.C. 3104 (c) prohibits a noninsured state-licensed branch of a foreign bank from receiving deposits of less than $100,000 unless the FDIC determines by regulation or order that the branch is not engaged in domestic retail deposit activities requiring deposit insurance. FDIC rules at 12 CFR 303.186 set forth a procedure for a noninsured state-licensed branch of a foreign bank to apply for exceptions to the prohibition. The application constitutes an information collection under the PRA.

Approval to Conduct Activities Not Permissible for Federal Branches

The International Banking Act at 12 U.S.C. 3105(h) provides that such a branch may not engage in any activity which is not permissible for a federal branch of a foreign bank unless (i) the Board of Governors of the Federal Reserve System has determined that the activity is consistent with safe and sound banking practice, and (ii) the FDIC has determined that the activity would pose no significant risk to the deposit insurance fund. FDIC rules at 12 CFR 303.187 set out procedures to apply for permission to engage in, or continue to engage in, an activity which is not permissible for a federal branch of a foreign bank. The sections also provide for the submission of a plan to discontinue those activities determined to pose significant risk to the deposit insurance fund. The application and the plan constitute information collections under the PRA.

Recordkeeping By Insured Branches of Foreign Banks

In connection with granting insurance to such a branch, the FDI Act at 12 U.S.C. 1815(b) requires the FDIC to consider the probable adequacy and reliability of information to be supplied by the bank to the FDIC to enable the FDIC to carry out its functions. Since such a branch meets the definition of an “insured depository institution” and the FDIC is designated as its appropriate federal banking agency, the branch is subject to examination and supervision by the FDIC. Accordingly, the FDIC’s rules at 12 CFR 347.205 require such a branch to maintain a set of accounts and records in English, and to maintain its records as a separate entity with assets and liabilities separate from the foreign bank’s head office, other branches, etc. These record-keeping requirements constitute information collections under the PRA.

Pledge of Assets by Insured Branches of Foreign Banks

The FDI Act at 12 U.S.C. 1815(c) requires such branches to pledge assets to the FDIC, to protect the Bank Insurance Fund from the risk of insuring an entity whose assets are largely outside the United States. In its rules at 12 CFR 347.209(e)(4), the FDIC specifies procedures under which pledged assets are placed in the hands of a third party depository, and at 347.209(e)(6) requires the branch and the depository to make certain reports to the FDIC to verify that the pledge requirements are being carried out. The reports, and documentation for the pledges, constitute collections of information under the PRA.

1. Circumstance and Need

   A uniform standardized process is required to permit state-licensed branches of foreign banks to comply with, and seek exceptions to, various legal requirements and prohibitions relating to branches of foreign banks that operate in the U.S.

2. Use of Information Collected

   The information in the application is used by the FDIC to determine compliance with various provisions of the International Banking Act, the FDI Act, and the FDIC’s regulations implementing those laws.

3. Use of Technology to Reduce Burden

No special technology is required to for these collections; banks may use any technology they find appropriate.

4. Efforts to Identify Duplication

The information cannot be obtained from other sources.

5. Minimizing the Burden on Small Institutions

The requirement has been designed to impose the minimal burden consistent with the FDIC's supervisory obligations. The FDIC permits smaller institutions to utilize less formalized systems, if consistent with their activities.

6. Consequences of Less Frequent Collection

Application for consent to move or to operate, approval to conduct activities, and recordkeeping: the information is collected only once.

Pledge of assets: Quarterly reporting of securities and liabilities is required; less frequent reporting would not permit the FDIC to exercise its insurance function prudentially, because the value of the securities pledged and the amount of the branch's liabilities fluctuate constantly. Concurrent reporting of documents conveyed by the insured branch to the depository in connection with pledging new assets is prudent because the form of such documentation determines the enforceability and validity of the pledge.

7. Special Circumstances

None.

8. Request for Comments: Consultation with Persons Outside the FDIC

A Notice of Proposed Rulemaking (NPRM) was published in the Federal Register (81 FR 41877, June 28, 2016) seeking comment on the proposed changes to 12 CFR Part 347, including those related to the addition of several categories of assets that the FDIC proposed to be acceptable to satisfy the pledge requirements in the regulation. On August 19, 2016 OMB filed a comment on the information collection request contained in the NPRM instructing FDIC to examine public comments in response to the NPRM and to "describe in the supporting statement of its next collection any public comments received regarding the collection as well as why (or why it did not) incorporate the commenter's recommendation." The FDIC received two comments which were fully addressed in the preamble to the final rule and are described below.

*Definition of "Investment Grade"*

The final rule amends the definition of "investment grade" in 12 CFR 347.102(o) by deleting the references to credit ratings and NRSROs. This final rule defines "investment grade" as a security whose issuer has adequate capacity to meet all financial commitments under the security for the projected life of the exposure. Such an entity has adequate capacity to meet financial commitments if the risk of its default is low, and the full and timely repayment of principal and interest is expected. One commenter, while generally supportive of efforts to implement an alternative to credit ratings references, expressed concern that the standard was "subjective, entity-specific and possibly arbitrary." The other commenter expressed a similar concern that the standard was general and would require subjective determinations. The commenter recommended that the FDIC provide a more straightforward and objective standard.

The FDIC believes that the revised standard provides a flexible, straightforward measure of creditworthiness that is consistent with existing policy. The revised definition achieves the dual goal of reducing reliance on credit ratings and encouraging regular, in-depth analysis of the credit risks associated with specific types of securities held by foreign branches of state nonmember banks under subpart A, or pledged for the benefit of the FDIC by the insured U.S. branches of foreign banks under subpart B. The revised definition of "investment grade" is also consistent with the definition of investment grade that was adopted by the FDIC, OCC, and Federal Reserve in the Basel III capital rules. [1] This definition is also consistent with the non-ratings based, creditworthiness standard applicable to permissible corporate debt securities investments of savings associations adopted by the FDIC in 12 CFR part 362[2] and the credit quality standards regarding permissible investments for national banks adopted by the OCC under 12 CFR parts 1, 16, and 160.[3] In addition, it is consistent with the final rules adopted by the OCC that remove references to credit ratings from its regulations pertaining to foreign bank capital equivalency deposits for federal branches under 12 CFR 28.15.[4] Achieving consistency with other creditworthiness standards adopted by the federal banking agencies advances section 939A's directive that agencies establish, to the extent feasible, uniform standards of creditworthiness. Based on these considerations, the FDIC is adopting as final the revisions in the proposed rule to the regulatory definition of "investment grade."

*Pledge of Assets*

12 CFR 347.209 establishes the asset pledge requirement for insured U.S. branches of foreign banks. The amount that each foreign bank must pledge is determined by the supervisory risk posed by each U.S. branch and the U.S. branch's asset maintenance level.[5] The amount of assets that a U.S. branch of a foreign bank must pledge varies

1 *See* 78 FR 62018 (Oct. 11, 2013) (Federal Reserve and OCC) (final rule); 78 FR 55340 (Sept. 10, 2013)(interim final rule)(FDIC); 79 FR 20754 (April 14, 2014)(final rule)(FDIC). In finalizing the Basel III capital rules, Federal Reserve and OCC issued a joint final rule, and the FDIC separately issued a substantively identical interim final rule, which was later made final without substantive changes.

2 *See* Permissible Investments for Federal and State Savings Associations: Corporate Debt Securities, 77 FR 43151 (July 24, 2012).

3 *See* Alternatives to the Use of External Credit Ratings in the Regulations of the OCC, 77 FR 35253 (June 13, 2012).

4 The OCC's regulations previously allowed for the use of certificates of deposit ("CDs") or bankers' acceptances as part of the deposit if the issuer of the instrument was rated "investment grade" by an internationally recognized rating organization. Under the revised regulation, the issuer of the certificate of deposit or banker's acceptance must have "an adequate capacity to meet financial commitments under the security for the projected life of the asset or exposure." *See* Alternatives to the Use of External Credit Ratings in the Regulations of the OCC, 77 FR 35253 (June 13, 2012).

5 12 CFR 347.209(b). Generally, an insured branch must maintain a level of assets that exceeds 106 percent of its liabilities. 12 CFR 347.210.

from two percent to eight percent of the branch's liabilities and is determined by reference to the risk-based assessment schedule provided in 12 CFR 347.209(b)(1).[6] The current FDIC rules in 12 CFR 347.209(d) require that certain asset types have credit ratings within the top rating bands of a nationally recognized statistical ratings organization ("NRSRO"). The final rule removes the references to credit ratings issued by an NRSRO in 12 CFR 347.209(d) and substitutes an investment grade standard to ensure the assets have appropriate credit quality. As proposed in the NPR, the final rule also permits only highly liquid assets to be pledged, and submits these instruments to fair value haircuts.

Under the final rule, instruments falling within the relevant asset categories are eligible for pledging if they are "investment grade." Consistent with this final rule's amendment to subpart A of Part 347, the final rule adds the same definition of "investment grade" to the definitions section of subpart B, 12 CFR 347.202, to define "investment grade" as a security issued by an entity that has adequate capacity to meet financial commitments under the security for the projected life of the exposure. To meet this standard, the insured branch of the foreign bank needs to determine whether the risk of default by the obligor is low and full and timely repayment of principal and interest is expected. As noted earlier, this "investment grade" standard is consistent with other regulations amended pursuant to section 939A.

The FDIC sought comment on whether the proposed investment grade and liquidity standards for pledged assets under subpart B of Part 347 are reasonable provisions and whether the removal of references to external credit ratings should be implemented as proposed or whether there are alternatives that would achieve a creditworthiness standard that is sufficiently risk sensitive. One commenter expressed concern that the proposed investment grade and liquidity requirements will significantly increase the operational burden on the branch. This commenter expressed concern that the new standards contained in the definitions of "investment grade" and "highly liquid" are general and will require subjective determinations. The commenter also expressed the opinion that the "highly liquid" standard is not required under Section 939A. The commenter further notes that the introduction of this new standard is not necessary to protect the Deposit Insurance Fund ("DIF") against losses. This commenter contended that the types of pledgeable assets, coupled with the investment grade requirement, would provide adequate assurance that pledged assets are sufficiently low risk and liquid.

The proposed amendments in Subpart A address the permissible international banking and investment activities of state nonmember banks. Subpart A differs in scope and purpose from subpart B, which establishes asset maintenance and pledge requirements for insured U.S. branches of foreign banks. The asset pledge requirements exist to protect the DIF by ensuring orderly asset liquidations at maximum values in the event such assets are liquidated to pay the insured deposits of the U.S. branch of the foreign bank.

6 The pledged assets must be placed at a depository approved by the FDIC. Generally, each insured branch of the foreign bank must meet the asset pledge requirement separately; however, a foreign bank with more than one insured branch in any state may treat all of its insured branches in the state as one entity for purposes of complying with this requirement. *See* 12 CFR 347.209(b)(5).

Although requiring foreign banks to verify that pledged assets satisfy the proposed standards may require some initial adjustment of existing processes, the FDIC believes that it would impose minimal additional burden. The final rule adopts definitions of investment grade and highly liquid assets that are already in use in other banking regulations. Plus, insured U.S. branches of foreign banks are currently expected to conduct due-diligence to meet applicable standards of safety and soundness without reliance on NRSRO ratings as a measure of creditworthiness. And, market data should already be accessible through an insured branch's normal data source channels and be used in pre-purchase and ongoing investment due diligence. Therefore, the FDIC does not believe that the final rule will significantly increase the operational burden on insured covered branches of foreign banks.

Existing section 347.209(d) includes creditworthiness standards that exceed "investment grade". That is, with some pledgeable asset types only the top two letter ratings (e.g., AAA, AA) within the investment grade band would be acceptable. The "highly liquid" standard in the final rule is necessary, in part, to ensure the elevated quality of the pledged assets established under the current standard continues. Furthermore, complementing the investment grade requirement with the "highly liquid" requirement will ensure the pledged assets can be readily converted to cash with little impact on their values.

The FDIC believes that adopting the investment grade and highly liquid criteria, in conjunction with the fair value haircut, helps ensure that pledged assets continue to support orderly asset liquidation at maximum value in the event such assets need to be liquidated to pay the insured deposits of the U.S. branch of the foreign bank. Based on these considerations, the FDIC is adopting as final the revisions in the proposed rule related to the definition of "investment grade" and the highly liquid requirement.

As proposed in the NPR, the final rule requires that the fair values of the investment grade and highly liquid pledged assets be discounted to reflect the credit risk and market price volatility of the asset. Under the final rule, the discounted fair value of the assets determines the pledged dollar amount. The FDIC expects that the valuations of the pledged assets be updated at least quarterly. Further, the final rule adopts a standardized haircut table, consistent with the Basel III capital rules, to promote simplicity and ease of reference.[7] Under this approach, the applicable haircut is determined by reference to the asset's risk-weight and remaining maturity.[8] For example, a foreign insured branch may elect to pledge investment grade commercial paper with a fair value of $100,000 and remaining maturity of less than one year. These instruments are risk-weighted at 100 percent under the Basel III capital rules. Under the reference table, the corresponding haircut is 4 percent; therefore, the amount of the $100,000 asset that counts towards the satisfaction of the asset pledge requirement is arrived at by multiplying $100,000 by 0.96 (1 – 0.04), which equals $96,000. Consistent with the haircut requirements in the risk-

7 In 12 CFR 324.37(c)(3), the FDIC established requirements for applying standardized haircuts for market price volatility which are scheduled on Table 1 to § 324.37 – Standard Supervisory Market Price Volatility Haircuts (Table 1). A portion of Table 1 concerning haircuts for non-sovereign issuers serves as the basis for the reference table included in the proposed rule.
8 *See* 12 CFR 324.32 for general risk weights.

based capital rules, pledged assets that receive a zero percent risk weight do not receive a fair value haircut.[9]

The FDIC solicited comment on whether pledged assets should be discounted as proposed, or whether the full fair value of assets pledged under the existing risk-based assessment schedule already provide sufficient protection to the DIF. In addition, the FDIC sought comment on whether another method of discounting would advance the objective of ensuring that pledged assets be as free from risk and as liquid as possible. One commenter indicated that the fair value discount is burdensome and suggested that the full fair value be permitted to be pledged, as it believes the benefit to the DIF of the discount requirement would likely be minimal. The commenter further cited operational burden concerns with implementing the quarterly valuation calculation. The commenter also contended that, based on its tentative calculations, the fair value discount requirement would require it to pledge "a considerable amount of additional eligible assets, resulting in increased costs".

The FDIC believes the fair value haircut provides an appropriate methodology for discounting fair values which is consistent with the haircuts applied to financial collateral pledged to certain transactions under the Basel III capital rules as adopted by the FDIC.[10] Further, the FDIC believes the expectation of quarterly updates to valuation of the pledged assets is reasonable given that quarterly valuations are currently required in the pledge agreement between each of the foreign banks and the FDIC. Moreover, the FDIC believes that applying the fair value discount results in minimal burden because the calculation of the applicable fair value discount is based on the risk weight of the applicable asset under the Basel III capital rules, which is an analysis that should already be undertaken by these institutions. Lastly, the FDIC recognized in the NPR that the haircut provision could impact foreign banks that pledge bank notes or CDs because they may need to pledge additional collateral under the proposed rule compared with the pledge requirements under the existing rule. However, the FDIC expects any additional collateral required as a result of the haircut provision to be minimal.

Based on these and other considerations, the FDIC is adopting as final the discount methodology in the proposed rule.

*Assets That May Be Pledged*

As proposed in the NPR, the final rule also amends 12 CFR 347.209(d) by adding cash as a new asset type that foreign banks may pledge under subpart B, and by creating a separate asset category expressly for debt securities issued by government sponsored enterprises ("GSEs"). Cash and securities issued by GSEs are included in the definition

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9 Assets with zero percent risk weight include cash; Treasury bills, interest bearing bonds, notes, debentures, or other direct obligations of or obligations fully guaranteed as to principal and interest by the United States or any agency thereof; and obligations of the African Development Bank, Asian Development Bank, Inter-American Development Bank, and the International Bank for Reconstruction and Development.

10 FDIC-supervised institutions may use the risk-mitigating effects of financial collateral, subject to a market price volatility haircut, in determining the exposure amount of such transactions for risk-weighting purposes. *See* 79 FR 20760 (April 14, 2014).

of highly liquid assets in the Federal Reserve's regulation prescribing enhanced prudential standards for foreign banking organizations.[11] The FDIC also understands that some insured branches of foreign banks currently pledge GSE debt securities under 12 CFR 347.209(d)(2) because they qualify as obligations of a U.S. government "instrumentality." The Basel III capital rules recognize that the risk characteristics of GSE securities differ from those guaranteed by the U.S. government. The capital rules bear this out by assigning the former a twenty percent risk weight and the latter a zero percent risk weight.[12] Therefore, the final rule eliminates the reference to obligations of U.S. "instrumentalities" in 12 CFR 347.209(d)(2), and creates a separate category expressly for GSE securities. Creating a separate category for GSE securities is necessary because such securities are subject to a haircut under the final rule to account for their twenty percent risk weight under the Basel III capital rules, whereas securities guaranteed by the U.S. government are not subject to a haircut given their zero percent risk weight.

Pursuant to subpart B, all assets pledged, including cash, are required to be subject to the terms of a pledge agreement executed by the pledging foreign bank and the depository.[13] Subpart B requires that the pledge agreement's terms include a requirement that pledged assets be placed with a depository for safekeeping.[14] Subpart B also requires that the pledged assets be designated as assets subject to the pledge agreement. [15] In addition, the assets must be held separately from the assets of the foreign bank or depository, and must "at all times be segregated on the records of the depository and clearly identified as assets subject to the pledge agreement."[16] Subpart B requires that a foreign bank obtain the FDIC's prior written approval of the depository selected.[17]

The FDIC solicited comment on whether the types of assets that may be pledged should be expanded to include cash as proposed. One commenter expressed support for the addition of cash as a new eligible asset type. The commenter also sought clarification as to whether an insured branch would be permitted to receive interest on any such pledged cash. While subpart B generally authorizes insured branches to retain interest earned on pledged assets,[18] the operation of subpart B's segregation and safekeeping requirements as applied to pledged cash would preclude the payment of interest on such cash. Most importantly, in order for pledged cash to be deemed held for safekeeping and segregated in accordance with subpart B's requirements, such cash must be held separate from the general funds of the bank and may not be commingled with any cash or other property of the depository. Accordingly, such cash may not be loaned, invested, used in operations or used for any other purpose by the depository. Because, generally, interest is paid for the use of cash, if the depository complies with the safekeeping and segregation

11 12 CFR part 252 subpart O.
12 12 CFR 324.32(a) and (c).
13 12 CFR 347.209(e)(5)(i).
14 12 CFR 347.209(c).
15 12 CFR 347.209(e)(5)(ii).
16 *Id*.
17 12 CFR 347.209(c)
18 12 CFR 347.209(e)(10). A foreign bank may retain interest earned on pledged assets unless the FDIC by written notice prohibits such retention.

requirement, it cannot use the cash and, thus, there would be no basis for the payment of interest. In the event that the FDIC is appointed receiver of the depository, cash pledged and held for the purposes of, and in accordance with, the requirements of subpart B would not be treated as property of the depository receivership.

The FDIC views the amendments to the pledgeable asset criteria as consistent with other rulemakings, and as resulting in minimal impact on the insured U.S. branches of foreign banks. Based on these, and other, considerations, the final rule adopts the pledgeable asset categories as proposed in the NPR.

*Definition of "Agency"*

As proposed in the NPR, the final rule adds a definition of "agency" to the definitions section of subpart B, 12 CFR 347.202, which already contains a definition of "branch" under the existing regulation, in order to clarify that negotiable CDs, banker's acceptances, and notes issued by a branch or agency of a foreign bank located only in the United States are eligible for pledging. The definition was not previously in subpart B. The term agency is used in 12 CFR 347.209(d)(1), (d)(4), and (d)(7) to describe the types of bank CDs, banker's acceptances, and notes issued by a branch or agency of a foreign bank that are eligible for pledging by a U.S. branch of a foreign bank. The final rule incorporates the definition of "agency" found in section 1(b)(1) of the IBA, which defines "agency" to mean "any office or any place of business of a foreign bank located in any State of the United States at which credit balances are maintained incidental to or arising out of the exercise of banking powers, checks are paid, or money is lent but at which deposits may not be accepted from citizens or residents of the United States".[19] This definition makes clear that only negotiable CDs, banker's acceptances, or notes issued by an agency of a foreign bank located in the United States are eligible pledged assets. The FDIC does not allow for the pledging of these instruments unless they are issued by an agency of a foreign bank located in the United States. It is also consistent with the definition of "branch" in subpart B, which means any office or place of business of a foreign bank located in any state of the United States.[20] The final rule also amends 12 CFR 347.209(d)(7) by removing the reference to "United States" in the description of branches or agencies of foreign banks because those terms as defined in existing subpart B necessarily mean an office or place of business of a foreign bank located in the United States. Furthermore, as proposed, the final rule amends 12 CFR 347.209(d)(7) to clarify that, consistent with requirements associated with pledging CDs and banker's acceptances in (d)(1) and (d)(4), a pledging U.S. branch of a foreign bank may not pledge a note issued by a branch or agency of a foreign bank that has the same country of domicile as the pledging bank. This requirement avoids potential same-country risks represented by the branches and agencies as direct extensions of foreign banks.

One commenter expressed concern with the proposal to amend 12 CFR 347.209(d)(7) to clarify that a pledging U.S. branch of a foreign bank may not pledge a note issued by a

19 12 U.S.C. 3101(1). The proposed definition is also consistent with the definition of agency in the Federal Reserve's and OCC's international banking regulations. *See* 12 CFR 211.21(b) (Federal Reserve) and 12 CFR §28.11(g) (OCC).
20 12 CFR 347.202(b).

branch or agency of a foreign bank that has the same country of domicile as the pledging bank. In particular, the commenter believes that in some instances the same-country risk would be very low in certain jurisdictions and recommended the implementation of an objective standard when evaluating same-country risks given that the risk profiles of different countries can vary significantly. The FDIC believes the requirement as proposed is an important safeguard against potential same-country risks represented by issuing branches and agencies as direct extensions of foreign banks. The requirement as proposed is also consistent with the existing requirements for pledging CDs and banker's acceptances under 12 CFR 347.209(d)(1) and (d)(4). The FDIC is adopting the proposed requirement related to this and all other proposed technical revisions as final.

9. Payments and Gifts

None.

10. Confidentiality

Information will be kept private to the extent allowed by law.

11. Information of a Sensitive Nature

None.

12. Estimated Burden

| | No. of Respondents | Responses per Year | Hours per Response | Burden Hours |
|---|---|---|---|---|
| *Reporting Burden* | | | | |
| *Moving a Branch* | 1 | 1 | 8 | 8 |
| *Consent to Operate* | 1 | 1 | 8 | 8 |
| *Conduct Activities* | 1 | 1 | 8 | 8 |
| *Pledge of Assets* | | | | |
| *Documents* | 10 | 4 | .25 | 10 |
| *Reports* | 10 | 4 | 2 | 80 |
| ***Total Reporting Burden*** | | | | 114 |
| *Recordkeeping Burden* | 10 | 1 | 120 | 1,200 |
| ***Total Burden*** | | | | **1,314** |

13. Capital, Start-up, and Operation/Maintenance/Service Costs

None.

14. Annualized Cost to the Federal Government

None.

15. Reason for Change in Burden

There is no change in burden.

16. Publication

The information collected will not be published.

17. Display of Expiration Date

Not applicable.

18. Exceptions to Certification

None.

B. STATISTICAL METHODS

Not applicable.