

**Supporting Statement for the
Quarterly Savings and Loan Holding Company Report
(FR 2320; OMB No. 7100-0345)**

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, without revision, the mandatory Quarterly Savings and Loan Holding Company Report (FR 2320; OMB No. 7100-0345). The FR 2320 collects select parent only and consolidated balance sheet and income statement financial data and organizational structure data from savings and loan holding companies (SLHCs) that are currently exempt from filing other Federal Reserve regulatory reports (exempt SLHCs).¹ The FR 2320 is used by the Board to analyze the overall financial condition of exempt SLHCs to ensure safe and sound operations. These data assist the Board in the evaluation of a diversified holding company and in determining whether an institution is in compliance with applicable laws and regulations. The annual burden is estimated to be 150 hours.

Background and Justification

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) was enacted into law on July 21, 2010. Title III of the Dodd-Frank Act transferred all former Office of Thrift Supervision (OTS) authorities (including rulemaking) related to SLHCs and their non-depository subsidiaries to the Board of Governors of the Federal Reserve System on July 21, 2011. Consequently, the Board became responsible for the consolidated supervision of SLHCs as of that date. Initially, all SLHCs continued to submit all regulatory reports previously required by the OTS through the existing processing system, the OTS's Electronic Filing System (EFS), through December 31, 2011. However, on February 6, 2012, the Board of Governors approved the implementation of the FR 2320 for the exempt SLHCs. The FR 2320 report replaced the OTS Thrift Financial Report (TFR; OMB No. 1557-0255) Schedule HC for these organizations, effective March 31, 2012.

Description of Information Collection

The FR 2320 collects select parent only and consolidated balance sheet and income statement financial data and organizational structure data from SLHCs exempt from filing other Federal Reserve regulatory reports.

Respondent Panel

The respondents are:

¹ To be exempt, an SLHC must meet one of the following criteria: (1) the SLHC was formed under section 10(c)(9)(C) of the Home Owners' Loan Act (HOLA) and the consolidated assets of its saving association subsidiaries make up less than 5 percent of the total consolidated assets of the SLHC; or (2) its top-tier holding company is an insurance company that only prepares financial statements using statutory accounting principles.

- (1) grandfathered unitary SLHCs² whose:
 - (a) savings association subsidiaries' consolidated assets make up less than 5 percent of the total consolidated assets of the grandfathered SLHC on an enterprise-wide basis as calculated annually as of June 30th, using the four previous quarters (which includes the quarter-ended June 30th reporting period), for any of these four quarters; *and*
 - (b) where more than 50 percent of the assets of the grandfathered unitary SLHC are derived from activities that are not otherwise permissible under HOLA on an enterprise-wide basis as calculated annually as of June 30th, using the assets reported as of June 30th, **OR**
- (2)
 - (a) SLHCs where more than 50 percent of the assets of the SLHC are derived from the business of insurance on an enterprise-wide basis as calculated annually as of June 30th, using the assets reported as of June 30th; *and*
 - (b) the SLHC does not submit reports to the SEC pursuant to sections 13 or 15(d) of the Securities Exchange Act of 1934.

The FR 2320 is generally filed by the top-tier SLHC if that SLHC is exempt from filing other Federal Reserve existing regulatory reports. However, if a top-tier SLHC is not required to file the FR 2320, then a lower-tier SLHC must file the FR 2320. Determinations as to which SLHC will be required to file the FR 2320 will be made by the appropriate Federal Reserve Bank. In addition, lower-tier SLHCs may voluntarily file the FR 2320 or may be required to file (in addition to the top-tier SLHC) for safety and soundness purposes at the discretion of the appropriate Federal Reserve Bank.

Time Schedule for Information Collection and Publication

The FR 2320 is filed quarterly as of the end of March, June, September, and December. If a SLHC has a quarter-end other than a calendar quarter-end, data from the fiscal quarter ending within the calendar quarter may be used to complete the FR 2320. The submission date to file this report is 45 calendar days after the report date.

Legal Status

The Board's Legal Division has determined the Home Owners' Loan Act authorizes the Board to require SLHCs to file "such reports as may be required by the Board" and instructs that such reports "shall contain such information concerning the operations of such savings and loan holding company and its subsidiaries as the Board may require" (12 U.S.C. 1467a(b)(2)). The obligation to respond is mandatory for exempt SLHCs. Lower-tier SLHCs may voluntarily file the FR 2320 or may be required to file (in addition to the top-tier SLHC) for safety and soundness purposes at the discretion of the appropriate Federal Reserve Bank.

The Board's Legal Division has also determined that data items SLHCC572, SLHCC573, and SLHCC574 (line items 24, 25, and 26) may be protected from disclosure under exemption 4 of the Freedom of Information Act (FOIA). Commercial or financial information may be protected from disclosure under exemption 4 if disclosure of such information is likely to cause

² SLHCs that are exempt pursuant to section 10(c)(9)(C) of HOLA.

substantial competitive harm to the provider of the information (5 U.S.C. 552(b)(4)). The data items listed above pertain to new or changed pledges, or 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 defaults 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.

With regard to the remaining data items on the FR 2320, the Board’s Legal Division has determined that institutions may request confidential treatment for any FR 2320 data item or for all FR 2320 data items, and that confidential treatment will be reviewed on a case-by-case basis.

Consultation Outside the Agency

On August 23, 2017, the Board published an initial notice in the *Federal Register* (82 FR 40000) requesting public comment for 60 days on the extension, without revision, of the FR 2320. The comment period for this notice expired on October 23, 2017. The Board did not receive any comments. On December 12, 2017, the Board published a final notice in the *Federal Register* (82 FR 58396) and the information collection will be extended as proposed.

Estimate of Respondent Burden

The annual burden for the FR 2320 is estimated to be 150 hours as shown in the following table. The estimated hours per response is based on the hourly estimate previously associated with the FR 2320. The Board believes this estimate is reasonable given that no changes are proposed to the data items to be collected. These reporting requirements represent less than 1 percent of the total Federal Reserve System paperwork burden.

	<i>Number of respondents³</i>	<i>Annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
FR 2320	15	4	2.5	150

The current annual cost to the public of this report is estimated to be \$8,235.⁴

³ Of these respondents, none 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.

⁴ 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.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 cost estimates to the Federal Reserve System for collecting and processing the FR 2320 is negligible.