

**Supporting Statement for
Interagency Statement on Complex Structured Finance Transactions
OMB Control No. 1557-0229**

A. Justification.

1. *Circumstances that make the collection necessary:*

The Interagency Statement on Complex Structured Finance Transactions (CSFT) (statement)¹ describes the types of internal controls and risk management procedures that the agencies (OCC, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, and the Securities and Exchange Commission) consider particularly effective in helping financial institutions to identify and address the reputational, legal, and other risks associated with complex structured finance transactions.

As financial intermediaries, financial institutions play a critical role in ensuring the integrity of financial markets and maintaining the trust and public confidence essential to the proper functioning of the capital markets. Structured finance products generally serve the legitimate business interests of customers and are an essential part of U.S. and international capital markets. Financial institutions need effective policies and procedures in place to identify those complex structured finance transactions that may involve heightened reputational and legal risk in order to ensure that those transactions receive enhanced scrutiny by the institution and that the institution does not participate in illegal or inappropriate transactions.

2. *Use of the information:*

A financial institution's policies and procedures should ensure that its operations are conducted in compliance with applicable law and regulations. This function is critical to the institution's sound operation because an institution may face substantial legal risk, including enforcement action by a supervisory agency and lawsuits by private parties if it participates in structured finance transactions that are used by a customer to circumvent regulatory or financial reporting requirements, evade tax liabilities, or further other illegal or improper behavior. The policies and procedures also help the institution avoid the reputational risk associated with transactions that are structured to avoid substantive compliance with existing laws and regulations.

3. *Consideration of the use of improved information technology:*

Any existing technology relevant to producing or retaining the information may be used.

4. *Efforts to identify duplication:*

There is no duplication. This collection is unique in that it involves policies and procedures specific to a particular institution and appropriate to the types of structured finance

¹ 71 FR 28326 (May 16, 2006).

transactions that the institution conducts.

5. *If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.*

The guidance requires that institutions report CSFT activities to personnel within the institution to promote awareness. The guidance applies to all OCC-supervised institutions regardless of asset size but the activity is generally limited to larger banks. Thus, there are no alternatives that would result in further lowering the burden on small institutions, while still accomplishing the purpose of the guidance.

6. *Consequences to the federal program if the collection were conducted less frequently:*

If the collection were conducted less frequently, it would hinder the ability to identify and address the reputational, legal, and other risks associated with complex structured finance transactions.

7. *Special circumstances necessitating collection inconsistent with 5 CFR part 1320:*

Not applicable. This collection is conducted consistent with the guidelines in 5 CFR part 1320.

8. *Efforts to consult with persons outside the agency:*

The OCC published a *Federal Register* notice for 60 days of comment on February 5, 2019 concerning the collection, 84 FR 1828. No comments were received.

9. *Payment to respondents:*

None.

10. *Any assurance of confidentiality:*

The information will be kept private to the extent permitted by law.

11. *Justification for questions of a sensitive nature:*

There are no questions of a sensitive nature.

12. *Burden estimate:*

9 Recordkeepers @ 1 response = 9 responses

9 Responses @ 25 hours = 225 burden hours

Cost of Hour Burden

225 x \$117 = \$26,325

To estimate wages we reviewed data from May 2017 for wages (by industry and occupation) from the U.S. Bureau of Labor Statistics (BLS) for depository credit intermediation (NAICS 522100). To estimate compensation costs associated with the rule, we use \$117 per hour, which is based on the average of the 90th percentile for seven occupations adjusted for inflation (2.2 percent), plus an additional 34.2 percent to cover private sector benefits for financial activities.

13. *Estimates of annualized costs to respondents:*

Not applicable.

14. *Estimate of annualized costs to the government:*

Not applicable.

15. *Change in burden:*

There is no change in burden.

16. *Information regarding collections whose results are planned to be published for statistical use:*

The OCC has no plans to publish data for statistical purposes.

17. *Display of expiration date:*

Not applicable.

18. *Exceptions to certification statement:*

None.

B. Collections of Information Employing Statistical Methods.

Not applicable.