

SUPPORTING STATEMENT  
NOTICE OF BRANCH CLOSURE  
(OMB No. 3064-0109)

INTRODUCTION

The Federal Deposit Insurance Corporation is requesting an extension, without change, of the currently-approved information collection captioned above. The current clearance for the collection expires on July 31, 2018.

A. JUSTIFICATION

1. Circumstances and Need

Section 42 of the Federal Deposit Insurance Act mandates that an institution closing a branch notify its primary federal regulator not later than 90 days prior to the closing. The statute also provides that a notice be posted on the premises of the branch for the 30-day period immediately prior to the closing and that the customers be notified in a mailing at least 90 days prior to the closing. Each insured depository institution that has one or more branches is required to adopt a written policy for branch closings.

This section charges the FDIC with the responsibility of enforcing the provisions and filing requirements. To fulfill its statutory mandate, the FDIC in cooperation with other federal financial institution regulators developed an Interagency Policy Statement on Advance Notice of Branch Closings.

2. Use of Information Collected

The information in the notices and in the policy statements is used by the FDIC as part of its oversight of an institution's record of serving the needs of its community. Such information allows the FDIC to make judgments of the reasonableness of the bank's record of opening and closing offices.

3. Use of Technology to Reduce Burden

The FDIC has an interactive website, *FDICconnect*, that allows insured institutions to submit certain filings to the FDIC electronically.

4. Efforts to Identify Duplication

These collection requirements parallel the statutory language of Section 42. The FDIC works closely with other Federal financial institution regulators to assure interpretation of the requirements is uniform and does not involve any duplicated information. There is no similar information available to the FDIC.

5. Minimizing the Burden on Small Institutions

An exception has been granted to the requirement to formulate policies for branch closure for institutions that currently do not have a branch office. All other institutions, regardless of size, must submit the same notices and formulate the same type policies. The notice requirements parallel the statutory requirements of Section 42.

6. Consequence of Less Frequent Collection

The collections in the interagency statement vary in frequency. Some are one-time recordkeeping requirements; others are on occasion. In every case, frequency is consistent with the statutory mandate. Less frequent collection would result in non-compliance with the law.

7. Special Circumstances

None.

8. Consultations with Persons Outside the FDIC

A 60-day notice seeking public comment on the FDIC's renewal of the information collection was published on April 30, 2018 (83 FR 18841). No comments were received.

9. Payment or Gift to Respondents

None.

10. Confidentiality

The information required in the interagency statement is generally available to the public; however, any information identified by an institution as confidential may be kept private to the extent provided by law.

11. Information of a Sensitive Nature

No questions of a sensitive nature are included in the collections.

12. Estimates of Hour Burden and Annual Cost

	Type of Burden	Obligation to Respond	Estimated Number of Respondents	Estimated Time per Response	Frequency of Response	Average Total Annual Estimated Burden
Adoption of Closure Policy	Recordkeeping	Mandatory	23	8 hours	One time	184 hours
Notice of Closure	Disclosure	Mandatory	683	2 hours	On occasion	1,366 hours
<b>Total Estimated Annual Burden</b>						1,550 hours

683

Estimated cost to respondents<sup>1</sup>:

Office and Administrative Support – 50% X 1,550 hours X \$27.89/hour = \$21,614.75

Financial Managers – 30% X 1,550 hours X \$90.46/hour = \$42,063.90

Professional – 10% X 1,550 hours X \$132.45/hour = \$20,529.75

Executive – 10% X 1,550 hours X \$160.14/hours = \$24,821.70

Total estimated cost to respondents: \$109,030.10

13. Capital, Start-Up and Maintenance Costs

None.

14. Estimated Annual Cost to the Federal Government

None.

15. Reason for Change in Burden

The increase in burden is due to economic fluctuations. The number of FDIC-supervised institutions has decreased and is reflected in the reduction in the estimated number of respondents required to adopt a branch closing policy. However, the industry trend has been to reduce the number of brick and mortar branches through

<sup>1</sup> The hourly wage estimate reflects the hourly compensation for each job category in the Depository Credit Intermediation sector as of March 2018. The estimate includes the May 2017 mean hourly wage reported by the Bureau of Labor Statistics, National Industry-Specific Occupational Employment and Wage Estimates. This wage rate has been adjusted for changes in the Consumer Price Index for all Urban Consumers between May 2017 and March 2018 (2.28 percent) and grossed up by 55.03 percent to account for non-monetary compensation as reported by the March 2018 Employer Costs for Employee Compensation Data.

closures or consolidations which has resulted in an increase in the number of notices of branch closure filed.

16. Publication

Collections of information under the interagency statement are not published.

17. Exceptions to Display of Expiration Dates

This collection of information is mandated by statute and is not implemented by regulation or collected through an instrument.

18. Exceptions to Certification

None.

B. STATISTICAL METHODS

Statistical methods are not employed in this collection.