

SUPPORTING STATEMENT
NOTIFICATION OF CHANGES IN INSURED STATUS
(3064-0124)

INTRODUCTION

The FDIC is requesting approval to renew, without change, the above-captioned collection of information. The collection consists of two parts: (1) a certification that insured depository institutions provide the FDIC when all deposit liabilities from one insured depository institution are assumed from another insured depository institution, with the latter institution responsible for providing the certification, and (2) a notification that insured depository institutions provide to the FDIC when they seek to voluntarily terminate their insured status. The information collection expires on July 31, 2018.

A. JUSTIFICATION

1. Circumstances and Need

The certification is necessary to implement the provisions of section 8(q) of the FDI Act, 12 U.S.C. 1818(q), regarding termination of the insured status of the transferring institution and termination of the separate deposit insurance coverage provided on deposit accounts assumed by the assuming institution.

The depositor notification is required by section 8(a)(6) of the FDI Act, 12 U.S.C. 1818(a)(6). This provision ensures that the institution's depositors receive appropriate information regarding the institution's intent to terminate its insured status and that, prior to the termination of the institution's insured status, depositors receive appropriate information concerning federal deposit insurance coverage of their accounts once the institution's insured status is terminated.

2. Use of the Information Collected

The certification is intended to satisfy section 8(q)'s "satisfactory evidence of such assumption" requirement, which is a condition that must be met before the transferring institution's insured status can be terminated pursuant to section 8(q)(1) of the FDI Act (12 U.S.C. 1818(q)(1)). The certification also provides the FDIC with notice of when the assumption takes effect to determine the continuation of separate deposit insurance coverage on the assumed deposits. The certification is submitted to the FDIC and utilized in making the determination whether to terminate the transferring depository institution's insured status.

The depositor notification letter is submitted to the FDIC prior to its dissemination to depositors when an insured depository institution seeks to terminate its insured status without having its deposits assumed by another

insured depository institution. The FDIC reviews the proposed depositor notification letter to assure that the interests of the institution's depositors are safeguarded.

3. Use of Technology to Reduce Burden

Institutions are free to use whatever methods are the least burdensome to them for sending the certification and depositor notification letters to the FDIC.

4. Efforts to Identify Duplication

Some information concerning deposit liabilities assumed or proposed to be assumed by merger, consolidation, other statutory assumption, or contract is required to be filed with the FDIC, pursuant to our assessment regulations (12 CFR Part 327) and our procedures regulations (12 CFR Section 303). Information filed with the FDIC in semi-annual reports, pursuant to Part 327, does not specify the institution whose deposits were assumed or when the assumption took effect. Therefore, while there is some overlapping of general information being submitted, the information contained in the certification provides the FDIC with more specific and timely data needed to comply with the requirements of section 8(q) of the FDI Act. Additionally, the regulation provides the FDIC and the industry with a clear standard for judging when an insured depository institution's insured status should be terminated.

5. Minimizing Burden on Small Entities

This collection is required by statute; there are no provisions for alternatives for small business. However, the FDIC has attempted to reduce burden for small entities by providing sample formats that will satisfy the information requirements.

6. Consequences of Less Frequent Collections

The collections of information are required only when insured depository institutions voluntarily choose to engage in specified activities. Less frequent collection would result in non-compliance with the law.

7. Special Circumstances

None.

8. Consultation with Persons Outside the FDIC

A 60-day notice seeking public comment on the FDIC's renewal of the information collection was published on May 2, 2018 (83 FR 19284). No comments were received.

9. Payment or Gift to Respondents

None.

10. Confidentiality

None.

11. Information of a Sensitive Nature

None.

12. Estimate of Annual Burden

	Type of Burden	Obligation to Respond	Estimated Number of Respondents	Estimated Time per Response	Frequency of Response	Average Total Annual Estimated Burden
Certification	Reporting	Mandatory	150	.25 hour	On Occasion	37.5 hours
Notification	Disclosure	Mandatory	2	1 hour	On Occasion	2 hours
Total Estimated Annual Burden						39.5 hours

Estimated cost to respondents¹:

Office and Administrative Support – 70% X 39.5 hours X \$27.89/hour = \$380.70

Financial Managers – 10% X 39.5 hours X \$90.46/hour = \$357.32

Professional – 10% X 39.5 hours X \$132.45/hour = \$523.18

Executive – 10% X 39.5 hours X \$160.14/hours = \$632.55

Total estimated cost to respondents: \$1,893.38

13. Capital, Start-up, Operating, and Maintenance Cost Burden

None.

¹ 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.

14. Estimated Annual Cost to Federal Government

None.

15. Reason for Change in Burden

The decrease in burden is due to economic fluctuations. There has been a reduction in the average number of annual submissions. Notifications went from 6 in 2015 to 2 currently while certifications went from 285 in 2015 to 150 currently.

16. Publication

No publication will be made of this information.

17. Display of Expiration Date

The information provided to the FDIC under this information collection does not involve use of a standard form.

18. Exceptions to Certification

There are no exceptions to certification.