

Supporting Statement
Regulatory Capital Rules: Regulatory Capital, Supplementary Leverage Ratio
OMB Control No. 3064-0196

INTRODUCTION

The FDIC is requesting approval from the OMB to extend, without change, a currently approved information collection (OMB Control No. 3064-0196) comprised of disclosure requirements under a regulation issued by the Federal Deposit Insurance Corporation (“FDIC”), jointly with the Office of the Comptroller of the Currency (“OCC”) and the Board of Governors of the Federal Reserve System (“Board”) (collectively, “the agencies”) that implements enhanced supplementary leverage ratio standards for large, interconnected U.S. banking organizations that have at least \$250 billion in total consolidated assets or total on-balance sheet foreign exposures of \$10 billion or more (“covered banks”). The information collection expires on August 31, 2018.

A. Justification.

1. Circumstances that make the collection necessary:

The supplementary leverage ratio regulations strengthen the definition of total leverage exposure and improve the measure of a banking organization’s on- and off-balance sheet exposures. The rules are generally consistent with the Basel Committee on Banking Supervision’s 2014 revisions and promote consistency in the calculation of this ratio across jurisdictions.

2. Use of the information:

All banking organizations that are subject to the FDIC’s advanced approaches risk-based capital rules¹ are required to disclose their supplementary leverage ratios.² Advanced approaches banking organizations must report their supplementary leverage ratios on the applicable regulatory reports. The calculation and disclosure requirements for the supplementary leverage ratio in the federal banking agencies’ regulatory capital rules are generally consistent with international standards published by the Basel Committee on Banking Supervision. These disclosures enhance the transparency and consistency of reporting requirements for the supplementary leverage ratio by all internationally active organizations.

3. Consideration of the use of improved information technology:

Respondents may use any type of improved information technology they have available to meet the requirements of this regulation.

4. Efforts to identify duplication:

The required information is unique and is not duplicative of any other information already

1 12 CFR part 374

2 12 CFR 374.10(c), 374.172(d), and 374.173.

collected.

5. Methods used to minimize burden if the collection has a significant impact on substantial number of small entities:

The rule only applies to institutions with \$250 billion in assets or \$10 billion in foreign exposure (or a subsidiary thereof). That is, the rule does not apply to any small businesses or other small entities.

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

Less frequent collection would result in safety and soundness concerns.

7. Special circumstances necessitating collection inconsistent with 5 CFR 1320.5(d)(2):

There are no special circumstances. This information collection is conducted in accordance with the guidelines in 5 CFR 1320.5(d)(2).

8. Efforts to consult with persons outside the agency:

A 60-day notice seeking public comment on the agencies renewal of the information collection was published on May 25, 2018 (83 FR 24306). No comments were received.

9. Payment or Gift to Respondents:

No payments or gifts will be provided to respondents.

10. Any assurance of confidentiality:

No assurances of confidentiality have been made in the Rule. The information will be kept private to the extent permitted by law.

11. Justification for questions of a sensitive nature:

None of the information required to be disclosed or maintained is of a sensitive nature.

12. Estimate of Hourly Burden and Cost

Summary of Annual Burden

	Type of Burden	Estimated Number of Respondents	Estimated Time per Response	Frequency of Response	Total Annual Estimated Burden Hours
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12 CFR 324.172 and 173	Disclosure	2	5 hours	Quarterly	40
Total Estimated Annual Burden					40

Cost of Hourly Burden: 40 hours x \$ 110.00 per hour = \$4,400.00

To estimate compensation costs associated with the collection, we used \$110 per hour, which is based on May 2018 Bureau of Labor Statistics wage data for the average of the 90th percentile for seven occupations (*i.e.*, accountants and auditors, compliance officers, financial analysts, lawyers, management occupations, software developers, and statisticians) plus an additional 35 percent to cover adjustments and private sector benefits. According to Bureau of Labor Statistics employer costs of employee benefits data, thirty five percent represents the average private sector costs of employee benefits.

13. Estimate of Annualized Costs to Respondents:

None.

14. Estimate of annualized costs to the government:

None.

15. Reason for Change in Burden:

There has been no change in the method or substance of this information collection. The number of institutions subject to the disclosure requirements has decreased from eight (8) to two (2) resulting in a decrease in estimated annual burden of 120 hours (from 160 to 40).

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

The FDIC has no plans to publish the information for statistical use.

17. Display of expiration date.

Not applicable.

18. Exceptions to certification statement.

None.

B. Collections of Information Employing Statistical Methods.

Not applicable.