

SUPPORTING STATEMENT
INTERAGENCY NOTICE OF CHANGE IN DIRECTOR
OR EXECUTIVE OFFICER
OMB No. 3064-0097

INTRODUCTION

The FDIC is requesting OMB approval to renew the above captioned collection of information. OMB approval for the collection expires on October 31, 2018.

The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (“FIRREA”) requires an insured depository institution to notify the appropriate federal banking agency of the proposed addition of any individual to the board of directors or the employment of any individual as a senior executive officer of such institution at least 30 days before such addition or employment becomes effective, if the insured depository institution (a) became insured or has undergone a change in control within the past two years or (b) is not in compliance with the applicable capital requirements or is otherwise in a troubled condition. This collection of information implements that provision of law.

The FDIC proposes to implement a number of revisions to the form used in this information collection based on the recommendations of an interagency working group comprised of representatives from the FDIC, the Board of Governors of the Federal Reserve System, and the Office of the Comptroller of the Currency, who collaborated to recommend the proposed changes. The proposed changes are being made to: (a) improve the clarity of the information request; (b) reflect new laws, regulations, capital requirements and accounting rules; (c) delete information requests that have been determined to be unnecessary for the analysis of the filing; and (d) add transparency for filers regarding the information that is required to consider a filing. In determining which changes to propose, the FDIC surveyed its regional offices to solicit recommendations for changes to the forms and considered the effects of the changes on community bank organizations, which represent the majority of filers. The revisions add items to these forms to clarify the information being requested to avoid the need for follow-up requests. Requesting the information up-front should increase transparency for filers as well as improve the efficiency of the submission and review process.

A. JUSTIFICATION

1. Circumstance and Need

Section 32 of the FDI Act (12 U.S.C. 183li), provides that the FDIC may disapprove an individual’s service as a director or senior executive officer of certain state nonmember banks (as defined above) if upon assessing the individual’s competence, experience, character and integrity it is determined that the individual’s service would not be in the best interest of the depositors of the bank or the public. The Notice with a financial form as an attachment is used by

the FDIC to collect information relevant to assess the individual's competence, experience, character, and integrity.

2. Use of Information Collected

The information is used by the FDIC for assessing the general character of individuals wishing to serve as directors or senior executive officers of the specified state nonmember banks as defined above. The FDIC's evaluation of these individuals is required by statute.

3. Use of Technology to Reduce Burden

No technology is involved in the preparation of the report. The report is the personal financial and biographical statement of the submitter.

4. Efforts to Identify Duplication

There is no duplication of reporting. Each report is a unique personal financial and biographical statement of the individual submitter.

5. Minimizing the Burden on Small Banks

All individuals filing notice to serve as a director or a senior executive officer of the class of state nonmember banks defined above are subject to the same reporting requirements. The information is the minimum needed by the FDIC to assess the general character of the submitter.

6. Consequence of Less Frequent Collection

The information is reported only once by the individual.

7. Special Circumstances

None.

8. Consultation with Persons Outside the FDIC

A *Federal Register* notice seeking comment was published on May 1, 2018 (83 FR 8867). No comments were received.

9. Payment or Gift to Respondents

None.

10. Confidentiality

The “Privacy Act Statement” on the form advises the respondent of possible uses of portions of the information. Disclosure to other parties is generally exempted under Section 552(b) of the Freedom of Information Act.

11. Information of a Sensitive Nature

No questions of a sensitive nature are included in this collection. The Systems of Records Notice associated with this information collection may be reviewed at <https://www.fdic.gov/regulations/laws/rules/2000-4000.html#fdic200030-64-0002>. The applicable Privacy Impact Assessment is available at <https://www.fdic.gov/about/privacy/assessments.html>.

12. Estimate of Annual Burden

Estimated Number of Annual Respondents	325
Estimated Time per Response	2 Hours
Frequency of Response	On Occasion
Estimated Total Annual Burden	650 Hours

Cost: 650 hours X \$132.75 per hour¹ = \$86,287.50

Summary of Annual Burden and Internal Cost (3064-0097)						
	Type of Burden	Estimated Number of Respondents	Estimated Number of Responses	Estimated Time per Response	Frequency of Response	Total Annual Estimated Burden
Interagency Notice of Change in Director or Executive Officer	Reporting	325	1	2 hours	On Occasion	650 hours
TOTAL HOURLY BURDEN						650
TOTAL INTERNAL COST						\$86,287.50

13. Capital, Start-Up, Operating, and Maintenance Costs

None.

14. Estimates of Annualized Cost to the Federal Government

None.

15. Reason for Change in Burden

¹ Total annual burden cost estimate is based on the hourly compensation estimate for Top Executives (\$132.75). The estimate includes the May 2015 75th percentile hourly wage rate reported by the BLS, National Industry-Specific Occupational Employment and Wage Estimates. The reported hourly wage rate is adjusted for changes in the CPI-U between May 2015 and December 2016 (2.5 percent) and grossed up by 154.3 percent to account for non-monetary compensation as reported by the December 2016 Employer Costs for Employee Compensation Data.

There is no change in burden. The proposed changes for the Interagency Notice of Change in Director or Senior Executive Officer form include clarifications of existing information requested and exceptions to the extent they may be relied upon by applicants; deletion of certain formerly requested items that are no longer needed to evaluate the notice; and other minor changes for improved grammar, comprehension, and accurate citations and mailing addresses. The FDIC believes these revisions will not change the estimated time per response.

16. Publication

There is no publication of the information collected.

17. Display of Expiration Date

Will be displayed.

18. Exceptions to Certification

None.

B. STATISTICAL METHODS

Not applicable.