

**Supporting Statement**  
**Annual Stress Test Rule and Company-Run Annual Stress Test Reporting Template and Documentation for Covered Institutions with Total Consolidated Assets of \$10 Billion to \$50 Billion and over \$50 Billion under the Dodd-Frank Wall Street Reform and Consumer Protection Act**  
**OMB Control No. 1557-0311**

**A. Justification**

1. *Circumstances that make the collection of information necessary:*

This collection of information currently encompasses information collection requirements contained in the OCC’s annual stress testing rule and its stress testing templates for covered institutions with over \$50 billion in total consolidated assets. The collection also includes templates for institutions with total consolidated assets of \$10 billion to \$50 billion, which are being incorporated into the FFIEC 016.

The annual stress test rule<sup>1</sup> implemented Section 165(i) of the Dodd-Frank Wall Street Reform and Consumer Protection Act<sup>2</sup> (“Dodd-Frank Act”) which requires certain companies to conduct annual stress tests. National banks and Federal savings associations with total consolidated assets of more than \$10 billion are be required to conduct annual stress tests and comply with reporting and disclosure requirements under the rule. The reporting templates for institutions with total consolidated assets of over \$50 billion were finalized in 2012.<sup>3</sup>

Section 165(i)(2) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) requires certain financial companies, including national banks and Federal savings associations, to conduct annual stress tests<sup>4</sup> and requires the primary financial regulatory agency<sup>5</sup> of those financial companies to issue regulations implementing the stress test requirements.<sup>6</sup> A national bank or Federal savings association is a “covered institution” and therefore subject to the stress test requirements if its’ total consolidated assets are more than \$10 billion.

Under section 165(i)(2), a covered institution is required to submit to the Board of Governors of the Federal Reserve System (Board) and to its primary financial regulatory agency a report at such time, in such form, and containing such information as the primary financial regulatory agency may require.<sup>7</sup>

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<sup>1</sup> October 9, 2012 – Final Rule (77 FR 61238)

<sup>2</sup> Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203, 124 Stat. 1376 (2010).

<sup>3</sup> 77 FR 49485 (August 16, 2012); 77 FR 66663 (November 6, 2012).

<sup>4</sup> 12 U.S.C. 5365(i)(2)(A).

<sup>5</sup> 12 U.S.C. 5301(12).

<sup>6</sup> 12 U.S.C. 5365(i)(2)(C).

<sup>7</sup> 12 U.S.C. 5365(i)(2)(B).

**2. *Use of the information:***

The OCC uses the data collected through these templates to assess the reasonableness of the stress test results of covered institutions and to provide forward-looking information to the OCC regarding a covered institution's capital adequacy. The OCC also may use the results of the stress tests to determine whether additional analytical techniques and exercises could be appropriate to identify, measure, and monitor risks at the covered institution. The stress test results support ongoing improvement in a covered institution's stress testing practices with respect to its internal assessments of capital adequacy and overall capital planning.

The Dodd-Frank Act stress testing requirements apply to all covered institutions, but the OCC recognizes that many covered institutions with consolidated total assets of \$50 billion or more have been subject to stress testing requirements under the Board's Comprehensive Capital Analysis and Review (CCAR). The OCC also recognizes that these institutions' stress tests will be applied to more complex portfolios and therefore warrant a broader set of reports to adequately capture the results of the company-run stress tests. These reports will necessarily require more detail than would be appropriate for smaller, less complex institutions. Therefore, the OCC has specified separate reporting templates for covered institutions with total consolidated assets between \$10 and \$50 billion and for covered institutions with total consolidated assets of \$50 billion or more. In cases where a covered institution with assets less than \$50 billion is affiliated with a banking organization with assets of \$50 billion or more, the OCC reserves the authority to require that covered institution to use the reporting template for larger institutions with total consolidated assets of \$50 billion or more. The OCC may also, on a case-by-case basis, require a covered institution with assets of \$50 billion or more to report stress test results using a simpler format to be specified by the OCC.

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

Respondents may use any method of improved technology that meets the requirements of the collection.

**4. *Efforts to identify duplication:***

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

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

The information collection does not have a significant impact on a substantial number of small businesses or other small entities.

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

The collection of information is required by Federal Statute. The consequences of collecting the information less frequently would prevent OCC from implementing Section 165(i)(2) of the Dodd-Frank Wall Street Reform and Consumer Protection Act.<sup>8</sup>

**7. *Special circumstances that would cause an information collection to be conducted in a manner inconsistent with 5 CFR part 1320:***

Not applicable.

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

In the Federal Register dated October 6, 2017 (82 FR 46887), OCC published a 60-day notice requesting public comment on the collection of information for institutions with total consolidated assets between \$10 billion and \$50 billion. Specifically, the OCC requested comment on whether to combine the OCC's form for this information collection with similar forms developed by the FDIC and FRB into a single interagency form, the FFIEC 016. The OCC did not propose any changes to the templates for institutions with assets of \$50 billion or more in this notice.

Currently, the OCC, FDIC, and FRB maintain separate, yet identical, report forms (FR Y-16, FDIC DFAST 10-50, and OCC DFAST 10-50B) for the banks, savings associations, and holding companies they supervise to report these company-run stress test results. The agencies proposed to combine these separate data collections and designate the combined report as a uniform FFIEC data collection. As part of their proposed adoption of the new FFIEC 016 report, the agencies also proposed limited updates to the quantitative and qualitative information currently collected in their separate, yet identical, report forms to implement a limited number of revisions that would align the new report with recent burden-reducing changes to the FFIEC 031, FFIEC 041, and the Board's FR Y-9C. These revisions are not expected to change the estimated reporting burden for the proposed new FFIEC 016 compared to the estimated reporting burden for the agencies' existing stress test report forms. However, the combined FFIEC 016 form will significantly improve the agencies' ability to analyze data received from respondents, as well as promoting consistency for the industry regardless of primary federal supervisor.

The agencies received no comments on the proposal, and plan to adopt all the changes as proposed.

**9. *Payment or gift to respondents:***

None.

**10. *Any assurance of confidentiality:***

The information collection request will be kept confidential to the extent permitted by law.

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<sup>8</sup> Public Law 111-203, 124 Stat. 1376, July 2010

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

There are no questions of a sensitive nature.

**12. Burden estimate:**

| Reporting Templates  | No. of Respondents | No. of Responses per Respondent | Annual No. of Responses | Burden per Response | Total Hours   |
|--|--------------------|---------------------------------|-------------------------|---------------------|---------------|
| FFIEC 016 Templates for Institutions with \$10-\$50B in Assets |                    |                                 |                         |                     |               |
| FFIEC 016 Results Template                                     | 36                 | 3                               | 1                       | 148.33              | 16,020        |
| FFIEC 016 Scenario Variables Template                          | 36                 | 1                               | 1                       | 24                  | 864           |
| <b>FFIEC 016 Report Form Total</b>                             |                    |                                 |                         |                     | <b>16,884</b> |
|  |                    |                                 |                         |                     |               |
| <b>Annual Stress Test Final Rule (Banks &gt;\$50 billion)</b>  |                    |                                 |                         |                     | <b>63,440</b> |
| <b>Total Burden for Collection</b>                             |                    |                                 |                         |                     | <b>80,324</b> |

**Cost of Hour Burden**

**80,324 x \$114 = \$9,156,936.**

To estimate average hourly wages we reviewed data from May 2016 (released in March 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 \$114 per hour, which is based on the average of the 90th percentile for seven occupations adjusted for inflation (2 percent), plus an additional 30 percent to cover private sector benefits. Thirty percent represents the average private sector costs of employee benefits.

**13. Estimates of total annual costs to respondents (excluding cost of hour burden in Item #12):**

None.

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

OCC estimates no annualized cost to the Federal government.

**15. Change in burden:**

Prior Burden: 80,324.

Proposed Burden: 80,324 hours.

Difference: 0 hours.

The changes would not affect the burden estimate, because the information collected in the proposed FFIEC 016 is comparable to the information currently collected in the OCC's forms for banks with assets between \$10 billion and \$50 billion.

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

Not applicable.

**17. Reasons for not displaying OMB approval expiration date:**

Not applicable.

**18. Exceptions to the certification statement:**

There are no exceptions to the certification.

**B. Collections of Information Employing Statistical Methods.**

Not applicable.