

Supporting Statement
Covered Savings Association Notice – 12 CFR Part 101
OMB Control No. 1557-_____

A. *Justification.*

1. *Circumstances that make the collection necessary:*

This supporting statement is submitted in connection with a notice of proposed rulemaking that would allow Federal savings associations (FSAs) to elect national bank powers and operate as covered savings associations. A new section of the Home Owners' Loan Act (HOLA) was added by the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA) to allow an FSA with total consolidated assets of \$20 billion or less, as of December 31, 2017, to elect to operate as a covered savings association. The new section of HOLA requires the OCC to issue rules that, among other things, establish streamlined standards and procedures for elections to operate as covered savings associations and clarify requirements for the treatment of covered savings associations. A covered savings association has the same rights and privileges as a national bank and is subject to the same duties and restrictions as a national bank.

2. *Use of the information:*

An FSA seeking to operate as a covered savings association would be required under proposed § 101.3(a) to submit a notice making an election to the appropriate OCC supervisory office that: (1) is signed by a duly authorized officer of the FSA; (2) identifies the branches and agencies that will be in operation on the effective date of the election that have not been the subject of an application or notice under 12 CFR part 5; and (3) identifies and describes any nonconforming subsidiaries, assets, or activities that the FSA holds, operates, or conducts at the time its submits its notice.

Under proposed § 101.5(a), the OCC may require a covered savings association to submit a plan to divest, conform, or discontinue a nonconforming subsidiary, asset, or activity.

A covered savings association may submit a notice to terminate its election to operate as a covered savings association under proposed § 101.6 using similar procedures to those for an election. In addition, after a period of five years, an FSA that has terminated its election to operate as a covered savings association may submit a notice under proposed § 101.7 to reelect using the same procedures used for its original election.

The purpose of requesting this information is to provide the OCC with a basis for determining whether an FSA is eligible to operate as a covered savings association or terminate an election, to identify which branches and agencies may be grandfathered following an election, and to address requirements related to divesting, conforming, or discontinuing a nonconforming subsidiary, asset, or activity. The OCC is mindful of the potential burdens involved in preparing submissions to regulatory agencies and wishes to mitigate those potential burdens by requiring only the minimum information necessary.

3. Consideration of the use of improved information technology:

FSA's may use any improved information technology that allows them to meet the requirements of the rule.

4. Efforts to identify duplication:

This information is not duplicated elsewhere.

5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.

This collection allows small FSA's (with total consolidated assets of \$20 billion or less) to elect to operate as covered savings associations through a notice process. The notice process collects the minimum amount of information necessary to determine whether an FSA is eligible to operate as a covered savings association.

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

If the collection were conducted less frequently, FSA's would not be able to avail themselves of the benefits of electing to operate as covered savings associations in a timely manner.

7. Special circumstances that would cause an information collection to be conducted in a manner inconsistent with 12 CFR part 1320:

Not applicable.

8. Efforts to consult with persons outside the agency:

The OCC solicited comment on the information collection through a notice of proposed rulemaking.

9. Payment or gift to respondents:

None.

10. Any assurance of confidentiality:

The information will be kept private to the extent permitted by law.

11. Justification for questions of a sensitive nature:

There are no questions of a sensitive nature.

12. Burden estimate:

Election, Termination, Reelection:

Estimated Number of Respondents: 295

Estimated Burden per Respondent: 2 hours

Estimated Annual Burden: 590 hours

Plan to Divest:

Estimated Number of Respondents: 25

Estimated Burden per Respondent: 2 hours

Estimated Annual Burden: 50 hours

Total Annual Burden: 640 hours

Cost of Hour Burden

$$640 \times \$117 = \$74,880$$

To estimate wages we reviewed data from May 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 \$117 per hour, which is based on the average of the 90th percentile for seven occupations adjusted for inflation (2.2 percent), plus an additional 34.2 percent to cover private sector benefits for financial activities.

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

Not applicable.

14. Estimates of annualized costs to the federal government:

Not applicable.

15. Change in burden:

The increase in burden is due to the fact that this is a new collection.

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

Not applicable.

17. Reasons for not displaying OMB expiration date:

Not applicable.

18. Exceptions to the certification statement:

Not applicable.

B. Collections of Information Employing Statistical Methods.

Not applicable.