

**SUPPORTING STATEMENT**  
**MUTUAL-TO-STOCK CONVERSIONS OF STATE SAVINGS BANKS**  
**(3064-0117)**

**INTRODUCTION**

The FDIC is requesting OMB approval to extend, without change, a currently approved information collection (OMB Control No. 3064-0117). The FDIC is the primary federal regulator of insured state chartered savings banks that are not members of the Federal Reserve System (“State Savings Banks”). In cases where a state savings bank proposes to convert from mutual to stock form of ownership, the FDIC’s regulations at 12 CFR §303.161 and §333.4 require the state savings bank to file with the FDIC a notice of intent to convert to stock form and provide copies of documents filed with state and federal banking and/ or securities regulators in connection with the proposed conversion. The information collection expires on January 31, 2019.

**A. JUSTIFICATION**

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

State savings associations must file a notice of intent to convert to stock form, and provide the FDIC with copies of documents filed with state and federal banking and/or securities regulators in connection with any proposed mutual-to-stock conversion. The information collection consists of the reporting requirement to provide copies of all applications and other materials filed by a state-chartered mutual savings bank with its applicable federal and state banking and securities regulators in connection with a proposed conversion to the stock form of ownership.

**2. Use of the information:**

The information will be used to enable the FDIC to identify and address issues involved in the proposed conversion relating to the safety and soundness of the bank, any abusive management practices and potential violations of applicable law to determine whether to object to the proposed conversion.

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

Institutions are free to use whatever methods are the least burdensome to them for sending the necessary information to the FDIC; however, there are a number of constraints relating to secure transmission, the volume of transmitted materials, and the diverse nature of related regulatory filings that may make this option impractical.

**4. Efforts to identify duplication:**

The bulk of the information collection pursuant to 303.161 requires the Respondent to provide the FDIC copies of materials the bank already has prepared for other federal and state regulators, rather than requiring banks to furnish separate materials specifically prepared for the FDIC. Similar information is not available from any other single source.

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

The information required is the minimum necessary for the FDIC to determine whether it should object to the proposed conversion.

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

The collection of information is required only when state savings banks voluntarily choose to convert form of ownership. If the information was not collected FDIC would not be able to fulfill its supervisory mandate.

7. Special circumstances necessitating collection inconsistent with 5 CFR Part 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:

On November 23, 2018, FDIC published a Federal Register notice seeking public comment for a 60-day period (83 FR 59833). No comments were received.

9. Payments or gifts to respondents:

None.

10. Any assurance of confidentiality:

Confidential information will be kept private to the extent allowed by law.

11. Justification for questions of a sensitive nature:

The information collection does not request information of a sensitive nature.

12. Estimate of hour burden including annualized hourly costs:

Summary of Annual Burden
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	Type of Burden	Obligation to Respond	Estimated Number of Respondents	Estimated Frequency of Responses	Estimated Time per Response	Frequency of Response	Total Annual Estimated Burden
<b>Mutual-to-Stock Conversion of State Savings Bank</b>	Reporting	Mandatory	5	1	250 hours	On Occasion	1,250
<b>TOTAL HOURLY BURDEN</b>							1,250 hours

### Estimated Cost Burden:

FDIC utilized data gathered from the Bureau of Labor Statistics (BLS) as of June 2018 to estimate the total labor costs. The wage estimate is a weighted average of four occupations: Office and Administrative Support, Compliance Officers, Lawyers, and Executives. According to the May 2017 National Industry-Specific Occupational Employment and Wage Estimates for the Depository Credit Intermediation sector the 75<sup>th</sup> percentile wages for the four aforementioned occupations are as follows<sup>1</sup>:

Occupation (SOC code)	Hourly 75th percentile wage	Percent Weighted	Dollar Value Weighted
Top Executives(111000)	\$87.95	20%	\$17.59
Compliance Officers(131041)	\$40.55	8%	\$3.24
Lawyers, Judges, and Related Workers(231000)	\$99.89	68%	\$67.93
Office and Administrative Support Occupations(430000)	\$20.41	4%	\$0.82
Weighted Average Wage (Unadjusted)			\$89.58

Source: Bureau of Labor Statistics, "National Industry-Specific Occupational Employment and Wage Estimates: Depository Credit Intermediation Sector" (May 2017).

The wage information reported by the BLS in the Specific Occupational Employment and Wage Estimates does not include health benefits and other non-monetary benefits. According to the June 2018 Employer Cost of Employee Compensation data compensation rates for health and other benefits are 35.7 percent of total compensation. FDIC also inflation-adjusted the wage information according to the BLS data on the Consumer Price Index for Urban Consumers (CPI-U) so that it is contemporaneous with the non-wage compensation statistic. The inflation rate was 2.85 percent between May 2017 and June 2018. Therefore, the adjusted average wage for the above occupations is \$143.29 per hour.

Using the total estimated hourly burden and the total hourly compensation estimate, the total estimated cost burden for the ICR (OMB No. 3064-0117) is **\$179,112.50 per year** (1,250 hours x \$143.29/hr).

<sup>1</sup> The 75<sup>th</sup> percentile wage for Lawyers (231011) was not reported. Thus the 75<sup>th</sup> percentile wage for Lawyers, Judges, and Related Workers (231000) was used for calculating the wage estimate.

13. Estimate of start-up costs to respondents:

None.

14. Estimate of annualized costs to the government:

None.

15. Analysis of change in burden:

There is no change in the method or substance of the collection. The overall reduction in burden hours is the result of economic fluctuation. In particular, the number of respondents has decreased while the hours per response and frequency of responses have remained the same.

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

The results of this collection will not be published for statistical use.

17. Display of expiration date

Not applicable.

B. STATISTICAL METHODS

Not Applicable