

SUPPORTING STATEMENT
Notice Regarding Assessment Credits
(OMB No. 3064-0151)

INTRODUCTION

The FDIC is requesting approval from the OMB to extend, without change, a currently approved information collection (OMB Control No. 3064-0151), based on the reporting requirements articulated in 12 C.F.R. Part 327, Subpart B, “Implementation of One-Time Assessment Credit” of the FDIC Rules and Regulations. This rule implements Section 7(e)(3) of the Federal Deposit Insurance Act (12 USC 1817(e)(3)), as amended by the Federal Deposit Insurance Reform Act of 2005, requires that the FDIC provide by regulation an initial, one-time assessment credit to each “eligible” insured depository institution (or its successor) based on the assessment base of the institution as of December 31, 1996, as compared to the combined aggregate assessment base of all eligible institutions as of that date, taking into account such other factors as the FDIC determines to be appropriate.. The information collection expires on October 31, 2018.

A. JUSTIFICATION

1. Circumstances that make the collection necessary

Section 7(e)(3) of the Federal Deposit Insurance Act (12 USC 1817(e)(3)), as amended by the Federal Deposit Insurance Reform Act of 2005, requires that the FDIC provide by regulation an initial, one-time assessment credit to each “eligible” insured depository institution (or its successor) based on the assessment base of the institution as of December 31, 1996, as compared to the combined aggregate assessment base of all eligible institutions as of that date, taking into account such other factors as the FDIC Board determines to be appropriate. The one-time credits must, with certain exceptions, be applied by the FDIC to the maximum extent allowed by law to the assessments imposed on such institution that become due for assessment periods beginning after the effective date of the one-time credit regulations until such time as the credit is exhausted. For assessments that become due for assessment periods beginning in fiscal years 2008, the FDI Act provides that credits may not be applied to more than 90 percent of an institution’s assessment. FDIC’s implementing regulation is found at 12 CFR Part 327, Subpart B.

For an institution participating in a transaction that results in the transfer of one-time assessment credits or the institution's 1996 assessment base, the information collection would occur when the institution provides notice to the FDIC seeking recognition of that transfer.

2. Use of the Information

Institutions are required to notify the FDIC of transactions resulting in the transfer of the one-time assessment credit so that the FDIC can accurately track such transfers, apply available credits appropriately against institutions' deposit insurance assessments, and determine an institution's 1996 assessment base if the transaction involved both the base and the credit amount. The need for credit transfer information will expire when the credit pool has been exhausted.

3. Consideration of the use of improved information technology

Respondents may use any technology they wish to notify the FDIC.

4. Efforts to identify duplication

There is no duplication. The information is not available elsewhere.

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

This information collection does not have a significant impact on a substantial number of small entities.

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

The information is only collected on occasion. Less frequent collection would make it impossible for the FDIC to accurately track the transfer of credits, apply available credits appropriately against institutions' deposit insurance assessments, and determine an institution's 1996 assessment base.

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. Consultation with persons outside the agency

On August 7, 2018, the FDIC published a Federal Register notice (83 FR 38692) seeking public comment for a 60-day period on the renewal of this information collection. No comments were received in response to the notice.

9. Payment to respondents

No payments or gifts will be provided to respondents.

10. Any Assurance of Confidentiality

Information collected will be kept private to the extent allowed by law. All required records are subject to the confidentiality requirements of the Privacy Act.

11. Justification for Questions of a Sensitive Nature

None.

12. Estimate of Hour Burden Including Annualized Hourly Costs

Summary of Annual Burden							
	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
Notice Regarding Assessment Credits	Reporting	Required to Obtain or Retain Benefits	2	1	2	On Occasion	4
TOTAL HOURLY BURDEN							4 hours

Institutions are required to notify the FDIC of transactions resulting in the transfer of the one-time assessment credit. According to the subject matter experts in the FDIC’s Division of Finance (DOF), the transaction resulting in the transfer of the one-time assessment credit is an accounting function. Therefore, I have updated the total burden cost estimate for the ICR (OMB 3064-0151) utilizing data gathered from the Bureau of Labor Statistics (BLS) as of December 2017. According to the May 2016 National Industry-Specific Occupational Employment and Wage Estimates for the Depository Credit Intermediation sector the 75th percentile wages for Accountants and Auditors (132011) is \$43.99 per hour.

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 December 2017 Employer Cost of Employee Compensation data compensation rates for health and other benefits are 35.6 percent of total compensation. I have 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 3.54 percent between May 2016 and December 2017. Therefore, the estimated adjusted wage for Accountants and Auditors is \$70.72 per hour.

Using the estimate of total burden hours developed by the subject matter experts in DOF and the adjusted wage data for Accountants and Auditors, the total cost burden of the ICR (OMB No. 3064-0151) is computed as: 2 notices x 2 hours x \$70.72/hour = \$282.88 per year.

13. Estimate of Star-up Costs to Respondents

None.

14. Estimate of Annualized Costs to the Government

None.

15. Analysis of Change in Burden

There has been no change in the method or substance of this information collection. The burden estimate is unchanged.

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

The results of these collections will not be published for statistical use.

17. Display of expiration date

Not applicable.

18. Exceptions to certification statement

None.

B. STATISTICAL METHODS

Not applicable.