

**Supporting Statement
Community and Economic Development Entities,
Community Development Projects, and
Other Public Welfare Investments – 12 CFR 24
OMB Control No. 1557-0194**

A. Justification.

1. Circumstances that make the collection necessary:

Federal law at 12 U.S.C. 24 (Eleventh) authorizes national banks to make investments, directly or indirectly, each of which promotes the public welfare by benefiting primarily low- and moderate-income communities or families (such as by providing housing, services, or jobs). The statute requires the OCC to limit a national bank's aggregate investment in these projects to 15 percent of the bank's unimpaired capital and surplus. The statute is implemented by 12 CFR part 24.

This information collection is needed to ensure national bank compliance with the revised statute regarding the amount and nature of these investments. Further, the information collection is needed to ensure bank safety and soundness, identify risks to the Federal Deposit Insurance System, and generally manage the OCC's process for permitting national bank investment in community development entities, community development projects, and other public welfare investments.

2. Use of the information:

The OCC uses the information to determine whether the investment meets the statutory and regulatory requirements, is consistent with safe and sound business practices, (such as by not exposing the bank to unlimited liability), and does not pose significant risk to the Federal Deposit Insurance Fund.

3. Consideration of the use of improved information technology:

A national bank may use Form CD-1, National Bank Community Development (part 24) Investments, contained within part 24, to satisfy the information collection. The CD-1 form provides national banks with guidance on the information needed by the OCC. An electronic version of the form is available on the OCC website at (www.occ.treas.gov/cdd/pt24toppage.htm) for downloading.

A national bank may electronically submit its part 24 filing by using the CD-1 form in the Central Application Tracking System (CATS), which is available on the OCC's National BankNet (www.banknet.gov), a secure limited-access Web site for banks regulated by the OCC. CATS is the OCC's web-based system for the submission and processing of Licensing and Public Welfare Investment applications and notices. In FY 2018, most national banks submitted

part 24 filings using CATS. CATS auto-fills certain fields relating to bank contact information, which is a time-savings feature for the banks.

The CD-1 form may also be e-mailed to CommunityAffairs@OCC.treas.gov; faxed to (202) 649-5709; or mailed to Community Affairs, MS 9E-12, Office of the Comptroller of the Currency, 400 7th Street SW., Washington, DC 20219.

4. *Efforts to identify duplication:*

The required information is not duplicative and is unique to each public welfare investment and bank.

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

This information collection imposes only the minimum burden necessary to ensure compliance with federal law, accomplish program goals, ensure national bank safety and soundness, and minimize risk to the Federal Deposit Insurance Fund.

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

The information collection is the minimum necessary to ensure bank compliance with the law and safety and soundness requirements and to manage the OCC's process for permitting national bank public welfare investments. These submissions are prepared only when a bank intends to make an investment in a community development entity or community development project or other public welfare activity.

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

The information collection is conducted in accordance with the requirements of 5 CFR Part 1320.

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

The OCC issued a 60-day *Federal Register* notice on February 5, 2019, 83 FR 1821. No comments were received.

9. *Payment or gift to respondents:*

None.

10. *Any assurance of confidentiality:*

None.

11. Justification for questions of a sensitive nature:

There are no questions of a sensitive nature.

12. Burden estimate:

Cite and Burden Type	Information Collection Requirements in Part 24	No. of Respondents	Hours per Response	Estimated Burden Hours
§ 24.4(a) Reporting	<u>Written request to exceed 5% investment limit</u> – A national bank may submit a written request to the OCC to exceed the 5 percent limit for aggregate outstanding investments. The bank is not required to tie the request to a specific investment proposal. The OCC may grant permission to the bank to make subsequent public welfare investments without prior notification to, or approval by the OCC, using the after-the-fact notification process consistent with Section 24.5(a).	10	30 minutes	5
§ 24.5(a)(2), (a)(4) Reporting	<u>After-the-fact notice of public welfare investments</u> – An eligible bank may make an investment without prior notification to, or approval by, the OCC if the bank submits an after-the-fact notification of an investment within 10 days after it makes the investment. The after-the-fact notice must include: <ul style="list-style-type: none"> • A description of the bank’s investment • The amount of the investment • The percentage of the bank’s capital and surplus represented by the bank’s aggregate outstanding public welfare investments, including the investment that is the subject of the notice • A statement certifying compliance with the requirements of §§ 24.3 and 24.4 • This requirement may be satisfied by completing Form CD-1 	935	85 minutes	1318.35
§ 24.5(a)(5) Reporting	<u>Letter from 3-rated banks requesting to self-certify</u> – A national bank that is not an eligible bank, but that is at least adequately capitalized and has a composite rating of at least 3 with improving trends under the Uniform Financial Institutions Rating System, may submit a letter to the OCC requesting authority to submit after-the-fact notices of its investments.	5	30 minutes	2.5
§ 24.5(b)(1) Reporting	<u>Investments requiring prior approval</u> – If a national bank does not meet the requirements for after-the-fact notification, including if the bank’s aggregate outstanding investments exceed the five percent limit, unless previously approved by the OCC for subsequent public welfare investments, the bank must submit an investment proposal to the OCC. The investment proposal must include: <ul style="list-style-type: none"> • A description of the bank’s investment • The amount of the investment • The percentage of the bank’s capital and 	160	115 minutes	306.67

Cite and Burden Type	Information Collection Requirements in Part 24	No. of Respondents	Hours per Response	Estimated Burden Hours
	surplus represented by the bank's aggregate outstanding public welfare investments, including the proposed investment <ul style="list-style-type: none"> • A statement certifying compliance with the requirements of §§ 24.3 and 24.4. • This requirement may be satisfied by completing Form CD-1 			
TOTAL		1,110 Respondents		1632.52 Hours

Cost of Hour Burden

1632.52 hours x \$117 = \$191,004.84

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 costs to respondents (excluding cost of hour burden in Item #12):

None.

14. Estimate of annualized costs to the federal government:

None.

15. Change in burden:

Current burden: 1,710 burden hours

Revised burden: 1,632.52 burden hours

Difference: - 77.48 burden hours

The decrease in burden is due to the move to electronic filing.

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

The OCC has no plans to publish the information for statistical purposes.

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

Not applicable.

18. *Exceptions to the certification statement in Item 19 of OMB Form 83-I:*

None.

B. *Collections of Information Employing Statistical Methods.*

Not applicable.