

SUPPORTING STATEMENT
MANAGEMENT OFFICIAL INTERLOCKS
(OMB No. 3064-0118)

INTRODUCTION

The Federal Deposit Insurance Corporation (FDIC) is requesting a three-year renewal of the Management Official Interlocks (OMB No. 3064-0118). The current clearance for the collection expires on November 20, 2020. The FDIC propose to revise its regulations to raise the major assets prohibition thresholds to \$10 billion to account for changes in the United States banking market since the current thresholds were established in 1996. The FDIC also proposes three alternative approaches for increasing the thresholds based on market changes or inflation. Increasing the major assets prohibition thresholds would relieve certain depository organizations below the adjusted thresholds from having to ask the agencies for an exemption from the major assets prohibition.

A. JUSTIFICATION

1. Circumstances and Need

This collection is associated with the FDIC's Management Official Interlocks regulation, 12 CFR 348, which implements the Depository Institutions Management Interlocks Act (DIMIA), 12 U.S.C. 3201-3208. DIMIA generally prohibits bank management officials from serving simultaneously with two unaffiliated depository institutions or their holding companies but allows the FDIC to grant exemptions in appropriate circumstances. Consistent with DIMIA, the FDIC's Management Official Interlocks regulation has an application requirement at section 348.6 requiring information specified in the FDIC's procedural regulation, 12 CFR 303.250. The rule also contains a notification requirement at section 348.4(i).

2. Use of the Information Collected

The information is used to provide state and federal examiners of depository institutions with documentation which will allow them to ascertain whether depository organizations are eligible for a management interlock exemption.

3. Use of Technology to Reduce Burden

Currently, the low number of respondents for this collection does not make conversion to electronic submission cost beneficial.

4. Effort to Identify Duplication

There is no duplication. Each situation is unique.

5. Minimizing the Burden on Small Entities

There is a small market share exemption under which qualified banks need not submit information that would otherwise be required. Note: The FDIC implemented an increase in the small bank exemption, from \$20 million to \$50 million, pursuant to a statutory mandate (the Financial Services Regulatory Relief Act of 2006). Because more banks are covered by this exemption as a result of the change, the effect is to reduce burden overall. However, because banks must submit an application to be considered exempt, there may be an increase in the number of respondents for this collection, with a concomitant upward adjustment in burden, as more small banks may take advantage of the increased threshold for the exemption.

6. Consequence of Less Frequent Collections

This occasional collection is the minimum required to implement the statute.

7. Special Circumstances

None.

8. Consultation with Persons Outside the FDIC

A notice of proposed rulemaking seeking public comment for a 60-day period was published in the *Federal Register* on January 31, 2019 (84 FR 604). Any comments received will be addressed when the final rule is published.

9. Payment or Gift to Respondents

None.

10. Confidentiality

Information will be kept private to the extent allowed by law.

11. Information of a Sensitive Nature

This requirement contains no sensitive information.

12. Estimates of Hour Burden and Annualized Cost

Number of Respondents: 6
 Number of Responses per Respondent: 1
 Total Number of Responses: 6
 Hours per Response - Reporting: 4
 Hours per Response – Recordkeeping: 3
 Total Burden Hours: 42 hours

Summary of Annual Burden and Internal Cost (3064-0118)						
	Type of Burden	Estimated Number of Respondents	Estimated Number of Responses	Estimated Time per Response	Frequency of Response	Total Annual Estimated Burden
Management Official Interlocks	Reporting	6	1	4	On Occasion	24 hours
Management Official Interlocks	Recordkeeping	6	1	3	On Occasion	18 hours
TOTAL HOURLY BURDEN						42 hours

Information Collection	Wage Category	Total Burden Hours	Burden Hours by Wage Category	Wage Rate	Total Cost of Hour Burden
Management Interlocks	50% clerical	42	21	\$20	\$420
	50% counsel		21	\$100	\$2,100
Total Internal Cost					\$2,520

13. Capital, Start-Up and Maintenance Costs

None.

14. Estimated Annual Cost to the Federal Government

None.

15. Reason for Change in Burden

The FDIC proposes to revise its regulations to raise the major assets prohibition thresholds to \$10 billion to account for changes in the United States banking market since the current thresholds were established in 1996. The FDIC also proposes three alternative approaches for increasing the thresholds based on market changes or inflation. Increasing the major assets prohibition thresholds would relieve certain depository organizations below the adjusted thresholds from having to ask the agencies for an exemption from the major assets prohibition.

Former Burden: 21 Burden Hours.

Current Burden: 42 Burden Hours.
Difference: 21 Hours.

The burden increased due to an increase in the number of respondents due to economic changes and also because of the alignment of the burden across the Agencies, resulting in the inclusion of a burden estimate for recordkeeping burden that had previously not been included resulting in an overall burden increase.

16. Publication

The information is not published.

17. Display of Expiration Date

Not applicable.

18. Exceptions to Certification

None.

B. STATISTICAL METHODS

Not applicable.