

SUPPORTING STATEMENT  
INTERAGENCY CHARTER AND FEDERAL DEPOSIT INSURANCE APPLICATION  
(OMB No. 3064-0001)

INTRODUCTION

The FDIC is requesting renewal of the above-captioned collection of information. The information in this collection is used by the FDIC to determine whether to provide deposit insurance to financial institutions that request it. It is also used by the Office of Comptroller of the Currency (OCC) under a separately-approved control number, for charter applications. The current approval for this FDIC collection will expire on August 31, 2019.

A. JUSTIFICATION

1. Circumstances and Need

Section 5 of the FDI Act (12 U.S.C. 1815) provides that any depository institution engaged in the business of receiving deposits other than trust funds, upon application and examination by the FDIC and approval by its Board of Directors, may become an insured depository institution. Before approving the application, the Act requires the FDIC Board of Directors to consider certain factors which are listed in Section 6 of the Act (12 U.S.C. 1816). These factors include: the financial history and condition of the depository institution, the adequacy of its capital structure, its future earnings prospects, the general character and fitness of its management, the risk it presents to the FDIC Insurance Fund, the convenience and needs of the community to be served, and the consistency of its corporate powers.

2. Use of Information Collected

The information is used by the FDIC as a basis for analyzing the proposal and evaluating the seven statutory factors in order to determine whether the applicant will qualify for Federal deposit insurance.

3. Use of Technology to Reduce Burden

Respondents are free to use whatever methods are the least burdensome to them for preparing the application for deposit insurance.

4. Efforts to Identify Duplication

None of the information collected on the form is available elsewhere.

5. Minimizing the Burden on Small Entities

All proposed depository institutions must follow the same application procedures. The application is designed to collect only the minimum amount of information necessary for the FDIC to assess the merits of each application. The form is periodically reviewed to ensure that it is current and there is a need for the information collected.

6. Consequences of Less Frequent Collection

The information is collected only if a proposed bank or savings association applies for Federal deposit insurance.

7. Special circumstances necessitating collection inconsistent with 5 CFR 1320.5(d)(2)

None. 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

The form is periodically reviewed with the OCC to ensure that it is current and there is a need for the information collected. A Federal Register notice seeking comment on renewal of the collection for a 60-day period was published on June 27, 2019 (84 FR 30714). No comments were received.

9. Payment or Gift to Respondents

There are no payments or gifts to respondents.

10. Any Assurance of Confidentiality

All information in the application is available for public review unless it qualifies for exemption under the provisions of the Freedom of Information Act (5 U.S.C. 552). The form advises applicants about the policy of making the information publicly available and that the applicant is responsible for identifying information it deems confidential. The FDIC makes the final decision, pursuant to the FOIA, on what information will be released to the public.

11. Justification for Questions of a Sensitive Nature

No information of a sensitive nature is required.

12. Estimate of Hour Burden Including Annualized Hourly Costs

*Estimated Annual Burden Hours*

<b>Information Collection (IC) Description</b>	Type of Burden	Obligation to Respond	Estimated Number of Respondents	Estimated Number of Responses	Estimated Time per Response (Hours)	Frequency of Response	Total Estimated Annual Burden (Hours)
<i>Interagency Charter and Federal Deposit Insurance Application</i>	Reporting	Mandatory	30	1	125	On Occasion	3,750
<b>Total Estimated Annual Burden Hours</b>							<b>3,750</b>

To arrive at the estimated number of respondents published in the 60-day Federal Register notice (84 FR 30714, June 27, 2019), the FDIC counted the number of deposit insurance applications received between January 1, 2017 and March 31, 2019. Nine (9) applications were received in 2017; 27 were received in 2018; and six (6) were received during the first quarter of 2019. FDIC is aware that there has been increasing interest in forming new banks and each new bank would need to submit an application for Federal deposit insurance. In addition, the FDIC has begun to take steps to ease the deposit insurance application process. Based on the foregoing, FDIC estimated that the annual number of respondents for this information collection should be adjusted to 34.

Since the 60-day Federal Register notice was published, FDIC refined the estimated number of expected deposit insurance applications by annualizing the rate of applications received during the first quarter of 2019 to derive an annual estimate of 24. Using the above historical application data, FDIC staff produced an intermediate estimate of 20 as the annual average number of applications expected. Starting with the intermediate estimate of 20 respondents per year, and weighting the expert judgment of FDIC staff at 50 percent to incorporate the qualitative factors discussed above ( $20 + 0.50 \times 20$ ), FDIC is revising its estimated number of respondents for this information collection to 30 respondents per year.

## Annualized Hourly Costs

The total estimated annual hourly burden imposed by this information collection is computed as the product of the annual average number of respondents and the estimated hours required to complete an application (30 \* 125 = 3,750). **The total estimated annual labor cost is \$462,750** and is calculated by multiplying the estimated annual hourly burden (3, 750 hours) by the estimated weighted average hourly labor cost (\$123.40).<sup>1</sup>

**Table 1. Occupations and Hourly Compensation Associated with Interagency Charter and Federal Deposit Insurance Application ICR (3064-0001)**

Estimated Category of Personnel Responsible for Complying with the PRA Burden	Total Estimated Hourly Compensation	Estimated Weights	Estimated Total Weighted Labor Cost Component
Executives and Managers*	\$122.31	60%	\$73.39
Lawyers**	\$156.07	30%	\$46.82
Compliance Officer***	\$63.36	0%	\$0.00
IT Specialists†	\$89.17	0%	\$0.00
Financial Analysts††	\$83.23	0%	\$0.00
Clerical‡	\$31.89	10%	\$3.19
Total Estimated Weighted Average Hourly Compensation Rate		100%	\$123.40

Source: Bureau of Labor Statistics: "National Industry-Specific Occupational Employment and Wage Estimates: Depository Credit Intermediation Sector" (May 2017), Employer Cost of Employee Compensation (December 2018), Consumer Price Index (December 2018).

Note: The 75th percentile 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 2018 Employer Cost of Employee Compensation data compensation rates for health and other benefits are 33.7 percent of total compensation. Additionally, the wage has been adjusted for inflation according 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 3.59 percent between May 2017 and December 2018.

- \* Occupation (SOC Code): Management Occupations (110000)
- \*\* Occupation (SOC Code): Lawyers, Judges, and Related Workers(231000)
- \*\*\* Occupation (SOC Code): Compliance Officers(131041)
- † Occupation (SOC Code): Computer and Mathematical Occupations (150000)
- †† Occupation (SOC Code): Financial Analyst (132051)
- ‡ Occupation (SOC Code): Office and Administrative Support Occupations(430000)

### 13. Estimate of Annualized Costs to Respondents

None.

### 14. Estimate of Annualized Costs to the Government

None.

### 15. Analysis of Change in Burden

1 Column 2 of Table 1, "Total Estimated Hourly Compensation," indicates the inflation-adjusted, 75<sup>th</sup>-percentile hourly wage, grossed-up to include non-monetary benefits, for the occupations listed in Column 1. The source of the 75<sup>th</sup>-percentile hourly wage rates is the May 2017 Bureau of Labor Statistics (BLS) National Industry-Specific Occupational Employment and Wage Estimates for the Depository Credit Intermediation Sector. The wage rates are adjusted for inflation of 3.59 percent between May 2017 and December 2018, according to the BLS Consumer Price Index for Urban Consumers. According to the December 2018 BLS Employer Cost of Employee Compensation data, compensation rates for non-monetary benefits are 33.7 percent of total compensation for private industry workers in the finance and insurance industry.

The is no change in substance or method of information collection. The estimated time to respond remains the same, the change in burden from 5,250 hours to 3,750 hours is due to a change in the estimated number of respondents as explained in Section 12 above.

16. Information Regarding Collections Whose Results are Planned to be Published for Statistical Use

The information collected is not published.

17. Exceptions to Display of Expiration Date

None.

18. Exceptions to Certification Statement

None.

B. STATISTICAL METHODS

Not applicable.