

**Supporting Statement for the
Reporting Requirements Associated with Regulation TT
(FR TT¹; OMB No. 7100-0369)**

Summary

The Board of Governors of the Federal Reserve System (Board), under authority delegated by the Office of Management and Budget (OMB), has extended for three years, with revision, the Reporting Requirements Associated with Regulation TT (FR TT; OMB No. 7100-0369). The Board's Regulation TT - Supervision and Regulation Assessments of Fees (12 CFR 246) implements section 11(s) of the Federal Reserve Act (FRA),² which directs the Board to collect assessments, fees, or other charges (collectively, assessments) from bank holding companies (BHCs) and savings and loan holding companies (SLHCs) that meet a statutory size threshold and from all nonbank financial companies designated for Board supervision by the Financial Stability Oversight Council (FSOC) (collectively, assessed companies) in an amount equal to the total expenses the Board estimates are necessary or appropriate to carry out its supervisory and regulatory responsibilities with respect to such companies. Pursuant to Regulation TT, the Board issues an annual notice of assessment to each assessed company. As described below, assessed companies may file a written appeal with the Board regarding the assessment.³

Section 401(c) of the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA) raised the size threshold in section 11(s) of the FRA for assessments for BHCs and SLHCs from \$50 billion to \$100 billion in total consolidated assets. Therefore, BHCs and SLHCs with total consolidated assets of at least \$50 billion but less than \$100 billion are no longer subject to section 11(s) assessments.⁴ Accordingly, the Board has revised this collection of information so that it no longer applies to such BHCs and SLHCs.

The current estimated total annual burden for the FR TT is 120 hours, and would remain the same. There are no reporting forms associated with this information collection.

Background and Justification

Section 11(s) of the FRA directs the Board to collect assessments from assessed companies equal to the expenses the Board estimates are necessary or appropriate to carry out its supervision and regulation of those companies. Each calendar year is an assessment period. Effective with the enactment of EGRRCPA, a BHC or SLHC is an assessed company for an assessment period if the company's average total consolidated assets over the assessment period were at least \$100 billion, and a nonbank financial company is an assessed company if it is a

¹ The internal Agency Tracking Number previously assigned by the Board to this information collection was "Reg TT". The Board is changing the internal Agency Tracking Number for the purpose of consistency.

² 12 U.S.C. § 248(s). Section 11(s) of the Federal Reserve Act was added by section 318 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

³ 12 CFR 246.5(b).

⁴ The Board intends to publish a final rule to implement section 401(c) of EGRRCPA, which also requires the Board to adjust the amount charged to assessed companies to reflect any changes in supervisory and regulatory responsibilities resulting from EGRRCPA, in the near future.

Board-supervised nonbank financial company on December 31 of the assessment period. Regulation TT provides that the Board must notify assessed companies of the amount of their assessment no later than June 30 of the year following each assessment period.

Description of Information Collection

Section 246.5(b), Notice of Assessment and Appeal. Each assessed company has 30 calendar days from June 30 to submit a written statement to appeal the Board's determination that the company is an assessed company or its determination of the company's total assessable assets.

Respondent Panel

The FR TT panel comprises BHCs and SLHCs that meet a statutory size threshold and all nonbank financial companies designated for Board supervision by the FSOC in an amount equal to the total expenses the Board estimates are necessary or appropriate to carry out its supervisory and regulatory responsibilities with respect to such companies.

Revisions to the FR TT

The Board has revised the respondent panel for the FR TT to include BHCs and SLHCs with total consolidated assets of \$100 billion or more, as well as all nonbank financial companies designated for Board supervision by the FSOC. BHCs and SLHCs with total consolidated assets of at least \$50 billion but less than \$100 billion have been removed as respondents to the revised FR TT, as they are no longer subject to assessments under section 11(s) of the FRA.

Time Schedule for Information Collection

This information collection is event-generated. An assessed company electing to appeal the Board's assessment determination has 30 calendar days from June 30 to submit a written appeal.

Public Availability of Data

There is no data related to this information collection available to the public.

Legal Status

The FR TT is authorized pursuant to section 11(i) of the FRA (12 U.S.C. § 248(i)), which provides that the Board shall make all rules and regulations necessary to enable the Board to effectively perform the duties, functions, or services specified in the FRA. The FR TT is voluntary.

An assessed company may request confidential treatment of its appeal if it believes that disclosure of specific commercial or financial information in the statement would likely result in substantial harm to its competitive position. The determination that such information is

confidential and not subject to disclosure under the Freedom of Information Act (FOIA) would need to be made on a case-by-case basis, consistent with FOIA exemption 4 (5 U.S.C. § 552(b)(4)).

Consultation Outside the Agency

There has been no consultation outside the Federal Reserve System.

Public Comments

On April 8, 2019, the Board published an initial notice in the *Federal Register* (84 FR 13918) requesting public comment for 60 days on the extension, with revision, of the FR TT. The comment period for this notice expired on June 7, 2019. No comments were received. On August 12, 2019, the Board published a final notice in the *Federal Register* (84 FR 39847).

Estimate of Respondent Burden

As shown in the table below, the estimated total annual burden for the FR TT is 120 hours, and would stay the same with the revisions. The estimated average hours per request is 40 hours and would remain unchanged. However, the Board has adjusted the estimated number of assessed companies that would submit a written request for appeal downward based on historical experience. These reporting requirements represent less than 1 percent of the Board’s total paperwork burden.

FR TT	<i>Estimated number of respondents⁵</i>	<i>Annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
Section 246.5(b)	3	1	40	120

The estimated total annual cost to the public for this information collection is \$6,912.⁶

Sensitive Questions

This collection of information contains no questions of a sensitive nature, as defined by OMB guidelines.

⁵ Of these respondents, none are considered small entities as defined by the Small Business Administration (i.e., entities with less than \$550 million in total assets), <https://www.sba.gov/document/support-table-size-standards>.

⁶ Total cost to the public was estimated using the following formula: percent of staff time, multiplied by annual burden hours, multiplied by hourly rates (30% Office & Administrative Support at \$19, 45% Financial Managers at \$71, 15% Lawyers at \$69, and 10% Chief Executives at \$96). Hourly rates for each occupational group are the (rounded) mean hourly wages from the Bureau of Labor and Statistics (BLS), *Occupational Employment and Wages May 2018*, published March 29, 2019, <https://www.bls.gov/news.release/ocwage.t01.htm>. Occupations are defined using the BLS Occupational Classification System, <https://www.bls.gov/soc/>.

Estimate of Cost to the Federal Reserve System

The estimated cost to the Federal Reserve System for collecting this information is negligible.