

SUPPORTING STATEMENT
CRA Sunshine
(OMB Control No. 3064-0139)

INTRODUCTION

Insured depository institutions or their affiliates occasionally enter into agreements with nongovernmental entities or persons pursuant to or in connection with the fulfillment of their responsibilities under the Community Reinvestment Act (CRA). The Gramm-Leach Bliley Act (Pub.L. 106-102, sec. 711) requires the disclosure of certain of these agreements, and imposes reporting and recordkeeping requirements related to those disclosures. The statute also mandates that the FDIC, the Office of the Comptroller of the Currency, the Federal Reserve Board, and the Office of Thrift Supervision (agencies) develop regulations to implement these disclosure, reporting and recordkeeping requirements, and the agencies have promulgated regulations accordingly. The reporting and recordkeeping provisions of these regulations constitute collections of information under the Paperwork Reduction Act. The regulation promulgated by the FDIC is codified at 12 CFR 346; the collection of information contained in that regulation is known as "CRA Sunshine." The current clearance expires on December 31, 2019.

A. JUSTIFICATION

1. Circumstances that make the collection necessary:

Section 711 of the Gramm-Leach-Bliley Act (GLB Act) added a new section 48 to the FDI Act entitled "CRA Sunshine Requirements." Section 711 applies to written agreements that (1) are made in fulfillment of the CRA, (2) involve funds or other resources of an insured depository institution or affiliate with an aggregate value of more than \$10,000 in a year, or loans with an aggregate principal value of more than \$50,000 in a year, and (3) are entered into by an insured depository institution or affiliate of an insured depository institution and a nongovernmental entity or person. Under section 711, the parties to a covered agreement must make the agreement available to the public and the appropriate agency. The parties also must file a report annually with the appropriate agency concerning the disbursement, receipt and use of funds or other resources under the agreement. The collections of information in CRA Sunshine implement these statutorily mandated reporting and recordkeeping requirements, and reflect statutory requirements as precisely as possible.

2. Use of the information:

Public disclosure of covered agreements enables the public to know which insured depository institutions, affiliates, and nongovernmental entities and persons enter into such agreements, as well as the terms of the agreements. The information assists interested members of the public in assessing whether the parties are fulfilling their agreements, and helps the agencies understand how the institutions they regulate are fulfilling their CRA responsibilities.

3. Consideration of the use of improved information technology:

Each institution is free to use any technology that is reasonable and appropriate for its circumstances.

4. Efforts to identify duplication:

This collection does not duplicate information provided elsewhere.

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

The agencies do not have reason to believe the collection has a significant impact on a substantial number of small entities. In any case, the GLB Act does not permit the agencies to make exceptions or provide alternatives for small entities.

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

Less frequent collection would be in violation of a Federal statute.

7. Special circumstances necessitating collection inconsistent with 5 CFR Part 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:

On September 30, 2019, the FDIC published a Federal Register notice proposing to extend the CRA Sunshine existing information collection (84 FR 51566). The FDIC did not receive any comments addressing this collection of information.

9. Payments or gifts to respondents:

None.

10. Any assurance of confidentiality:

The statute provides that an agreement “shall be in its entirety fully disclosed.” It also provides that in carrying out their responsibilities to prescribe regulations, “each appropriate Federal banking agency shall...ensure...that proprietary and confidential information is protected.” The final rule contains provisions for the parties to delete proprietary and confidential information from agreements before disclosing them to the public.

11. Justification for questions of a sensitive nature:

No information of a sensitive nature is requested.

12. Estimate of hour burden including annualized hourly costs:

Summary of Third Party Disclosure Annual Burden and Internal Cost							
Information Collection (IC) Description	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
Disclosure burden for insured depository institutions and affiliates - .6(b) covered agreements to public	Third Party Disclosure	Mandatory	10	1.4	1	Annually	14
Disclosure burden for insured depository institutions and affiliates - .6(d) copy of agreement to agency	Third Party Disclosure	Mandatory	10	1.4	1	Annually	14
Disclosure burden for insured depository institutions and affiliates - .6(d)(1)(ii) list of agreements to agency	Third Party Disclosure	Mandatory	10	1.4	1	Annually	14
Disclosure burden for insured depository institutions and affiliates - .6(d) agreements relating to activities of CRA affiliates	Third Party Disclosure	Mandatory	10	1.4	1	Annually	14
Disclosure burden for non-government entity or person - .6(c): copy of agreement to agency	Third Party Disclosure	Mandatory	6	1	1	Annually	6
Disclosure burden for non-government entity or person - .6(b): covered agreements to public	Third Party Disclosure	Mandatory	6	1	1	Annually	6
TOTAL THIRD PARTY HOURLY BURDEN							68

Estimated Annual Burden

Summary of Annual Reporting Burden and Internal Cost							
Information Collection (IC) Description	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
Reporting burden for insured depository institutions and affiliates - .7(b) annual report	Reporting	Mandatory	10	1.4	4	Annually	40
Reporting burden for insured depository institutions and affiliates - .7(f)(2)(ii): filing NGEPA annual report	Reporting	Mandatory	6	1	1	Annually	6
Reporting burden for NGEPA - .7(b): annual report	Reporting	Mandatory	6	1	4	Annually	24
TOTAL REPORTING HOURLY BURDEN							70

Total Estimated Annual Burden

138 Hours

The estimated labor cost is calculated as follow:

Estimated Category of Personnel Responsible for Complying with the PRA Burden	Total Estimated Hourly Compensation	Estimated Weights	Estimated Total Weighted Labor Cost Component
Clerical ‡	\$32.19	100%	\$32.19
Total Estimated Weighted Average Hourly Compensation Rate		100%	\$32.19

Source: Bureau of Labor Statistics: "National Industry-Specific Occupational Employment and Wage Estimates: Depository Credit Intermediation Sector" (May 2018), Employer Cost of Employee Compensation (June 2019), Consumer Price Index (June 2019).

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 June 2019 Employer Cost of Employee Compensation data compensation rates for health and other benefits are 33.8 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 1.86 percent between May 2018 and June 2019.

‡ Occupation (SOC Code): Office and Administrative Support Occupations (430000)

Estimated Category of Personnel Responsible for Complying with the PRA Burden	Total Estimated Hourly Compensation	Estimated Weights	Estimated Total Weighted Labor Cost Component
Executives & Managers *	\$120.40	100%	\$120.40
Total Estimated Weighted Average Hourly Compensation Rate		100%	\$120.40

Source: Bureau of Labor Statistics: "National Industry-Specific Occupational Employment and Wage Estimates: Depository Credit Intermediation Sector" (May 2018), Employer Cost of Employee Compensation (June 2019), Consumer Price Index (June 2019).

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 June 2019 Employer Cost of Employee Compensation data compensation rates for health and other benefits are 33.8 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 1.86 percent between May 2018 and June 2019.

* Occupation (SOC Code): Top Executives (111000)

The total estimated annual cost burden is calculated as: $[68 \text{ hours / year} * \$32.19 / \text{hour}] + [70 \text{ hours / year} * 120.40 / \text{hour}] = \$10,616.92$ per year.

13. Estimate of start-up costs to respondents:

None.

14. Estimate of annualized costs to the government:

None

15. Analysis of change in burden:

There is no change in the total annual burden. However, in reviewing the previous submission, there has been an adjustment in the number of respondents, responses per respondent, and annual frequency to more accurately reflect the annual burden hours.

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

The results of this collection will not be published for statistical use.

17. Display of expiration date:

Not applicable.

18. Exceptions to Certification

None.

B. Collection of Information Employing Statistical Methods

Not Applicable.