

**DEPARTMENT OF THE TREASURY
INFORMATION COLLECTION REQUEST - SUPPORTING STATEMENT**

**ASSESSMENT OF FEES ON CERTAIN BANK HOLDING COMPANIES AND
NONBANK FINANCIAL COMPANIES TO COVER THE EXPENSES OF THE
FINANCIAL RESEARCH FUND**

OMB No. 1505-0245

A. JUSTIFICATION

1. Circumstances Necessitating the Data Collection

The Department of the Treasury’s Office of Financial Research is requesting a revision of the information collection associated with regulations covering the Assessment of Fees on Certain Bank Holding Companies and Nonbank Financial Companies Supervised by the Federal Reserve Board to Cover the Expenses of the Office of Financial Research. The Paperwork Reduction Act (PRA) classifies reporting, recordkeeping, or disclosure requirements of a regulation as an “information collection.”¹ Treasury issues this statement to support the request for OMB approval of an information collection with respect to the Notice of Proposed Rulemaking on the assessment of fees on certain bank holding companies and nonbank financial companies supervised by the Federal Reserve Board to cover the expenses of the Financial Research Fund.

The Department of the Treasury issued a final and interim final rule (May 21, 2012, at 77 FR 29884, the “rule”) to implement Section 155 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203 or “Dodd-Frank Act”), which directs the Department to establish by regulation an assessment schedule for bank holding companies with total consolidated assets of \$50 billion or greater and nonbank financial companies supervised by the Board of Governors of the Federal Reserve to collect assessments equal to the total expenses of the Office of Financial Research (OFR). Included in the OFR’s expenses are expenses of the Financial Stability Oversight Council (FSOC), as provided under Section 118 of the Dodd-Frank Act, and certain expenses of the Federal Deposit Insurance Corporation (FDIC), as provided under Section 210 of the Dodd-Frank Act. The rule outlines the key elements of Treasury’s assessment program, which began collecting semiannual assessment fees from these companies on July 20, 2012.

On May 24, 2018, the Economic Growth, Regulatory Relief, and Consumer Protection Act, Pub. L. No. 115-174 (the “Economic Growth Act”), was signed into law. Section 401 of the Economic Growth Act amended Section 155 of the Dodd-Frank Act and changed the assessment threshold to \$100 billion, effective on the same date, while prospectively raising the assessment threshold to \$250 billion effective November 24, 2019. Section 401 also provides that any bank holding company, regardless of asset size, that has been identified as a global systemically important bank holding company under section 217.402 of title 12, Code of Federal Regulations

¹ 44 U.S.C. § 3501 *et seq.*

("G-SIB"), shall be considered a bank holding company with total consolidated assets equal to or greater than \$250 billion for purposes of section 155(d) of the Dodd-Frank Act.

2. Use of the Information

On a one time basis, assessed entities would be required to set up a bank account for fund transfers and provide the required information to the Treasury Department through an information collection form. The information collection form includes bank account routing information and contact information for the individuals at the company that will be responsible for setting up the account and ensuring that funds are available on the billing date.

3. Use of Information Technology

Information technology will only play a role in the collection process as the form will be a fillable PDFs which will need to be sent by email to the Bureau of the Fiscal Service. No web-based system will be implemented.

4. Efforts to Identify Duplication

Substantially all of the information collected is not otherwise available.

5. Efforts to Minimize Burdens on Small Entities

This collection of information shall not impose burden on small entities because the affected population outlined in Section 155(d) of the Dodd-Frank Act, as amended effective November 24, 2019, defines the population of assessed companies as bank holding companies with total consolidated assets of \$250 billion or greater, G-SIBs and nonbank financial companies supervised by the Board of Governors.

6. Consequences of Less Frequent Collection and Obstacles to Burden Reduction

Compliance with the Dodd-Frank Act requires timely registration and maintaining the accuracy of the information supplied.

7. Circumstances Requiring Special Information Collection

There are no special circumstances requiring data collection to be inconsistent with 5 CFR 1320.5(d)(2).

8. Consultation Outside the Agency

Public comment will be sought for 60 days following publication of the proposed rule.

9. Payments or Gifts to Respondents

There are no payments or gifts to respondents.

10. Assurances of Confidentiality

The information will be kept private to the extent permitted by law.

11. Justification for Sensitive Questions

No personally identifiable information (PII) is collected.

12. Estimated Burden of Information Collection

Hours: 5.0

Treasury estimates that there are currently 20 companies that would be affected, and that filling out the form and submitting it to the Treasury Department will take approximately a quarter hour. The aggregate paper work burden is estimated as 5.0 hours. We note that this represents a conservative estimate of administrative burden as all but one of these companies have already established an account for payments or collections to the U.S. government.

Labor Cost: \$240

Treasury estimates that there are certain direct costs associated with complying with these rules. On a one time basis, assessed entities would be required to provide a bank account for fund transfers and provide the required information to the Treasury Department through an information collection form. The information collection form includes bank account routing information and contact information for the individuals at the company that will be responsible for setting up the account and ensuring that funds are available on the billing date. We estimate that approximately 20 companies could be affected, and that the cost associated with filling out the form and submitting it to the Treasury Department is approximately \$240.² Treasury notes that this represents a conservative estimate of costs as all but one of these companies have already established an account for payments or collections to the U.S. government.

13. Estimated Total Annual Cost Burden to Respondents or Recordkeepers

There are no capital, start-up, or ongoing operation and maintenance costs associated with this information collection.

14. Estimated Cost to the Federal Government

² The cost of this activity is calculated by multiplying the estimated number of assessed companies (20) by the time it takes to complete the form (15 minutes) by an approximate hourly wage of \$48 (assuming an annual salary of \$100,000), based on data from the June 2019 Bureau of Labor Statistics Employer Costs for Employee Compensation for Financial Activities – https://www.bls.gov/news.release/archives/ecec_09172019.pdf.

We estimate that the cost to the Federal Government associated setting up an assessed company's account and then processing the information received from the assessed company is approximately \$285.³ As with the estimation of costs for assessed companies detailed above, Treasury notes that this represents a conservative estimate of costs as all but one of these companies have already established an account for payments or collections to the U.S. government.

15. Program Changes or Adjustments

There is a reduction in the number of respondents from 39 to 20 due to the statutory change in the assessment threshold, which decreases the number from the prior collection by 20, and the statutory addition of G-SIBs to the group of assessed companies, which increases the number from prior collection by one. This results in an overall total reduction of 4.75 hours from that previously approved by OMB.

16. Plans for Tabulation, Statistical Analysis, and Publication

There are no plans for publication.

17. Display of Expiration Date

Displaying the OMB expiration date associated with the PRA clearance may create confusion of the return date of the information.

18. Exceptions to the Certification Requirement

There are no exceptions to the certification statement.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.

³ The cost of this activity is calculated by multiplying the number of estimated assessed companies (20) by the time it takes to set up an account and then process the information received from the assessed company (15 minutes) by an approximate hourly wage of \$56.86 (assuming 160% of the median hourly pay of a GS-12 employee (\$35.54) in order to account the full cost of employee benefits) based on data from the 2019 General Schedule (GS) Locality Pay Tables found at – https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2019/GS_h.pdf.