

SUPPORTING STATEMENT
Application for a Bank to Establish a Branch or Move its Main Office
(OMB Control No. 3064-0070)

INTRODUCTION

The FDIC is requesting OMB approval for the extension, without change, and three-year extension of the information collection relating to applications by insured State nonmember banks to obtain FDIC consent to establish branches or move main offices or branches. The current clearance expires on January 31, 2020.

A. JUSTIFICATION

1. Circumstances that make the collection necessary:

Section 18(d) of the Federal Deposit Insurance Act (12 USC 1828(d) (FDI Act) provides that no State nonmember insured bank shall establish and operate any new domestic branch or move its main office or any such branch from one location to another without the prior written consent of the FDIC. Section 18(d) requires the FDIC to consider the factors enumerated in section 6 of the FDI Act (12 USC 1816) in granting or withholding consent to the applicant. Those factors are:

- (a) The financial history and condition of the bank,
- (b) The adequacy of its capital structure,
- (c) Its future earnings prospects,
- (d) The general character and fitness of its management,
- (e) The risk presented by the bank to the Bank Insurance Fund or the Savings Association Insurance Fund,
- (f) The convenience and needs of the community to be served, and
- (g) Whether its corporate powers are consistent with the purposes of the FDI Act.

2. Use of the information:

The applicant is required to furnish information, in letter form, about the location of the proposed site, the involvement of bank insiders in the proposal, the impact of the proposal on the environment and compliance with local zoning laws, historic preservation considerations, community services considerations, and evidence of public notice of the proposal. The information furnished by the applicant is used by the FDIC as a basis for evaluating the factors required by statute (12 USC 1828(d) and 1816) before approving the application.

3. Consideration of the use of improved information technology:

Respondents provide the information for this collection through the FDIC's secure interactive Website, *FDICconnect*.

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. The information collected is only that required to evaluate the applicant, giving consideration to the statutory factors enumerated in section 6 of the FDI Act.

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

Less frequent collection would be in violation of a Federal statute. The information is collected only when a bank wishes to establish a branch or move the main office or relocate a branch as required by 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 October 29, 2019, the FDIC published a Federal Register notice proposing to extend the Notification of Performance of Bank Services existing information collection (84 FR 57869). The FDIC did not receive any comments addressing this collection of information.

9. Payments or gifts to respondents:

None.

10. Any assurance of confidentiality:

Identifying information regarding the applicant and its proposed transaction is publicly available. Otherwise, information will be kept private to the extent allowed by law.

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 Time per Response	Frequency of Response	Total Annual Estimated Burden
Application for a bank to establish a branch or move its main office or branch	Reporting	Mandatory	718	5	On Occasion	3,590
TOTAL HOURLY BURDEN						3,590

Estimated Annual Burden

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	Weighted Hourly Compensation
Executives & Managers*	\$120.40	90%	\$108.36
Clerical**	\$32.19	10%	\$3.22
Weighted Average			\$111.58

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).

*Occupation (SOC Code): Management Occupations (110000)

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

The total estimated annual cost burden is calculated as: [3,590 hours / year * \$111.58 / hour] = \$400,572 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 method or substance of the collection. The annual burden for this information collection is estimated to be 3,590 hours. This represents a decrease of 3,505 hours from the current burden estimate of 7,095 hours. This decrease is due to a decrease in the estimated number of respondents.

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

Identifying information regarding the applicant and its proposed transaction is

published through the FDIC's website.

17. Exceptions to Display of expiration date:

None.

18. Exceptions to Certification

None.

B. Collection of Information Employing Statistical Methods

Not Applicable.