

SUPPORTING STATEMENT
Activities and Investments of Savings Associations
(OMB Control No. 3064-0104)

INTRODUCTION

The FDIC is requesting OMB approval to renew for three years without revision the currently approved information collection captioned above. The current clearance for the collection expires on January 31, 2020. Section 28 of the FDI Act (12 U.S.C. 1831e) imposes restrictions on the powers of savings associations, which reduce the risk of loss to the deposit insurance funds and eliminate some differences between the powers of state associations and those of federal associations. Some of the restrictions apply to all insured savings associations and some to state chartered associations only. The statute exempts some federal savings banks and associations from the restrictions, and provides for the FDIC to grant exemptions to other associations under certain circumstances. In addition, Section 18(m) of the FDI Act (12 U.S.C. 1828(m)) requires that notice be given to the FDIC prior to an insured savings association (state or federal) acquiring, establishing, or conducting new activities through a subsidiary. The FDIC's Part 362 (12 CFR) implements the requirements of Sections 28 and 18(m) of the FDI Act.

A. JUSTIFICATION

1. Circumstances that make the collection necessary:

Section 28 of the FDI Act limits the powers of state savings associations to acquire or retain equity investments of a type or amount not permitted for a federal savings association. Section 28 also prohibits insured state savings associations and their subsidiaries from engaging as principal in any activity of a type or in an amount that is not permitted for a federal savings association or its subsidiaries. Section 28 charges the FDIC with the responsibility of enforcing the restrictions and filing requirements, and permits the FDIC to grant exceptions under certain circumstances.

Part 362 details the activities that state savings associations and / or their subsidiaries may engage in, under certain criteria and conditions, and identifies the information that banks must furnish to the FDIC in order to obtain the FDIC's approval or non-objection.

2. Use of the information:

The information in the applications is used by the FDIC as part of the process of granting exceptions to the restrictions. The FDIC uses the information to determine whether requested exceptions present a significant risk to the deposit insurance funds.

3. Consideration of the use of improved information technology:

Applicants are free to use whatever methods are least burdensome for them to supply the required information.

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:

All insured state chartered associations (and federal savings associations, where applicable), regardless of size, must submit the same applications and/or notices. The applications and notices were designed to impose the minimum burden consistent with the FDIC's statutory mandates.

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 October 29, 2019, the FDIC published a Federal Register notice proposing to extend the Activities and Investments of Savings Associations 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:

The information collected 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 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
Activities and Investments of Savings Associations	Reporting	Mandatory	18	1	12 hours	On Occasion	216
TOTAL HOURLY BURDEN							216

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	80%	\$96.32
Lawyers**	\$152.94	10%	\$15.29
Clerical***	\$32.19	10%	\$3.22
Weighted Average			\$114.83

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): Lawyers, Judges, and Related Workers (231000). Note: The BLS does not report hourly wages greater than \$100. Therefore, \$100 should be considered a low-bound estimate for the lawyer compensation. *Occupation (SOC Code): Office and Administrative Support Occupations (430000)

The total estimated annual cost burden is calculated as: [216 hours / year * \$114.83 / hour] = \$24,803.28 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 216 hours. This represents a decrease of 12 hours from the current burden estimate of 228 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:

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

17. Exceptions to Display of expiration Date:

None.

18. Exceptions to Certification

None.

B. Collection of Information Employing Statistical Methods

Not Applicable.