

**Office of the Comptroller of the Currency**  
**Supporting Statement**  
**Bank Activities and Operations; Investment in Bank Premises**  
**OMB Control No. 1557-0204**

**A. Justification.**

This supporting statement is being submitted in connection with a notice of proposed rulemaking. The new information collection requirements are outlined in #2 below.

**1. *Circumstances that make the collection necessary:***

Institutions need these collections of information to ensure that they conduct their operations in a safe and sound manner and in accordance with applicable federal banking law and regulations. The collections of information provide needed information for examiners and offer protections for institutions. The collections are necessary for regulatory and examination purposes and for national banks to ensure their compliance with federal law and regulations.

**2. *Use of the information:***

The new information collection requirements under the notice of proposed rulemaking are as follows:

- *Tax Equity Finance Transactions* – Written requests are required for waivers to participate in a renewable energy tax equity finance transaction exceeding the aggregate investment limit. Prior written notification to OCC is required for each renewable energy tax equity finance transaction. § 7.1025.
- *Payment Systems* – Thirty (30) days advance written notice is required before joining a payment system that would expose the institution to open-end liability. An after-the-fact written notice must be filed within 30 days of becoming a member of a payment system that does not expose the institution to open-end liabilities with certain representations. Both notices must include safety and soundness representations. § 7.1026.
- *Derivatives Activities* – A written application to engage in new derivatives activities not specified in the regulation is required. Written policies and procedures for effective governance are required. Records must be maintained demonstrating compliance. Thirty (30) days prior written notice is required before engaging in certain derivatives hedging activities, expanding derivatives hedging activities to include a new category of underlying, engaging in certain customer-driven financial intermediation derivatives activities, and expanding customer-driven financial intermediation derivatives activities to include a new category of underlying specified in regulation. § 7.1030.
- *State Corporate Governance* – Requests for OCC’s staff position on the ability of national bank to engage in particular State corporate governance procedure must include name, citations, discussion of similarly suited State banks, identification of Federal banking statutes

and regulations, and analysis of consistency with statutes, regulations, and safety and soundness. § 7.2000.

- *Indemnification of institution-affiliated parties – Administrative proceeding or civil actions not initiated by a federal banking agency* – A written agreement that an IAP will reimburse the institution for any portion of non-reimbursed indemnification that the IAP is found not entitled to is required before advancing funds to an IAP. § 7.2014.
- *Issuing Stock in Certificate Form* – National banks must include certain information, signatures and seal when issuing stock in certificate form. § 7.2016.

**3. Consideration of the use of information technology:**

The information requirements are recordkeeping requirements. Institutions may use any information technology that permits retrieval for review by OCC examiners.

**4. Efforts to identify duplication:**

This information collection is unique to the institution. It is not duplicated anywhere else.

**5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.**

There are no alternatives that would result in lowering the burden on small institutions, while still accomplishing the purposes of the rules.

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

The information is collected infrequently, as covered situations arise. Less frequent collection could impair OCC's supervisory activities, limit the utility of the information to institution management, and result in unsafe and unsound operations.

**7. Special circumstances necessitating collection inconsistent with 5 CFR part 1320:**

This information collection is conducted in accordance with OMB guidelines in 5 CFR part 1320.

**8. Efforts to consult with persons outside the agency:**

The OCC issued a notice of proposed rulemaking containing the collection on \_\_\_\_\_, 2020, 85 FR \_\_\_\_\_.

**9. Payment to respondents:**

None.

**10. Any assurance of confidentiality:**

None.

**11. Justification for questions of a sensitive nature:**

Not applicable. No personally identifiable information is collected.

**12. Burden estimate:**

Cite and Burden Type	Information Collection Requirement	Number of Respondents	Average Hours Per Response	Estimated Burden Hours
12 CFR 5.37 Reporting	<b>Investment in national bank or federal savings association premises</b> – A national bank or federal savings association may invest in banking premises and other premises-related investments, loans, or indebtedness by filing an application for prior approval whenever its investment in bank premises will cause it to exceed its capital stock. The application must describe the present and proposed investment and the business reason for exceeding the limit. A bank with a composite 1 or 2 CAMELS rating entering a transaction that increases its aggregate bank premises investment to not more than 150 percent of its capital and surplus may proceed without prior OCC approval, but must provide an after-the-fact notice.	150	1.30	195
12 CFR 7.1014 Recordkeeping	<b>Sale of money orders at nonbanking outlets</b> – A national bank may designate bonded agents to sell the bank’s money orders at nonbanking outlets. The responsibility of both the bank and its agent should be defined in a written agreement setting forth the duties of both parties and providing for remuneration of the agent.	15	1	15
12 CFR 7.1025 Reporting	<b>Tax Equity Finance Transactions</b> – Written requests required for waiver to participate in a renewable energy tax equity finance transaction exceeding the aggregate investment limit. Prior written notification to OCC required for each renewable energy tax equity finance transaction.	50	1	50
12 CFR 7.1026 Reporting	<b>Payment Systems</b> – 30 days advance written notice required before joining a payment system that would expose the institution to open-end liability. After-the-fact written notice must be filed within 30 days of becoming a member of a payment system that does not expose the institution to open-end liabilities with certain representations. Both notices must include safety and soundness representations.	81	1	81
12 CFR 7.1030 Reporting	<b>Derivatives Activities</b> – Written application to engage in new derivatives activities not specified in regulation.	5	40	200
12 CFR 7.1030 Recordkeeping	<b>Derivatives Activities</b> – Written policies and procedures for effective governance.	216	2	432
12 CFR 7.1030 Recordkeeping	<b>Derivatives Activities</b> – Maintenance of records demonstrating compliance.	216	2	432

Cite and Burden Type	Information Collection Requirement	Number of Respondents	Average Hours Per Response	Estimated Burden Hours
12 CFR 7.1030 Reporting	<b>Derivatives Activities</b> – 30 days prior written notice before engaging in certain derivatives hedging activities, expanding the bank’s derivatives hedging activities to include a new category of underlying, engaging in certain customer-driven financial intermediation derivatives activities, and expanding the bank’s customer-driven financial intermediation derivatives activities to include a new category of underlying specified in regulation.	10	20	200
12 CFR 7.2000 Reporting	<b>State Corporate Governance</b> – Requests for OCC’s staff position on ability of national bank to engage in particular State corporate governance procedure must include name, citations, discussion of similarly suited State banks, identification of Federal banking statutes and regulations, and analysis of consistency with statutes, regulations, and safety and soundness.	12	2.5	30
12 CFR 7.2000(b) Recordkeeping	<b>Corporate governance procedures – Other sources of guidance</b> – A national bank shall designate in its bylaws the body of law selected for its corporate governance procedures.	35	0.25	8.75
12 CFR 7.2004 Recordkeeping	<b>Honorary directors or advisory boards</b> – Any listing of a national bank’s honorary or advisory directors must distinguish between those directors and the bank’s board of directors or indicate their advisory status.	1,294	0.25	323.5
12 CFR 7.2014(b) Recordkeeping	<b>Indemnification of institution-affiliated parties (IAPs) – Administrative proceeding or civil actions not initiated by a federal banking agency – General</b> – A national bank shall designate in its bylaws the body of law selected for making indemnification payments under this paragraph.	35	0.25	8.75
12 CFR 7.2014 Recordkeeping	<b>Indemnification of institution-affiliated parties – Administrative proceeding or civil actions not initiated by a federal banking agency</b> – A written agreement that an IAP will reimburse the institution for any portion of non-reimbursed indemnification that the IAP is found not entitled to before advancing funds to an IAP.	50	4	200
12 CFR 7.2016 Recordkeeping	<b>Issuing Stock in Certificate Form</b> – National banks must include certain information, signatures and seal.	10	2.5	25
12 CFR 7.2024(a) Reporting	<b>Staggered terms for national bank directors</b> – Any national bank may adopt bylaws that provide for staggering the terms of its directors. National banks shall provide the OCC with copies of any bylaws so amended.	10	0.5	5
12 CFR 7.2024(c) Reporting	<b>Size of bank board</b> – A national bank seeking to increase the number of its directors must notify the OCC any time the proposed size would exceed 25 directors.	10	0.5	5
<b>Total for Rule</b>		<b>650</b>		<b>1,650</b>
<b>Total for Collection</b>				<b>2,211</b>

**Cost of Hour Burden to Respondents:**

**2,211 x 114 = \$ 252,054**

To estimate wages the OCC reviewed May 2018 data for wages (by industry and occupation) from the U.S. Bureau of Labor Statistics (BLS) for credit intermediation and related activities excluding nondepository credit intermediaries (NAICS 5220A1). To estimate compensation costs associated with the rule, the OCC uses \$114 per hour, which is based on the average of the 90th percentile for nine occupations adjusted for inflation (2.8 percent as of Q1 2019 according to the BLS), plus an additional 33.2 percent for benefits (based on the percent of total compensation allocated to benefits as of Q4 2018 for NAICS 522: credit intermediation and related activities).

**13. *Estimates of annualized costs to respondents:***

Not applicable.

**14. *Estimates of annualized cost to the Federal Government:***

Not applicable.

**15. *Changes in burden:***

Prior Burden: 561 Hours.  
Current Burden: 2,211 Hours.  
Difference: + 1,650 Hours.

The increase in burden is due to the additional requirements contained in the notice of proposed rulemaking.

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

Not applicable.

**17. *Display of expiration date:***

Not applicable.

**18. *Exceptions to certification statement:***

Not applicable.