

Office of the Comptroller of the Currency
Supporting Statement
Community Reinvestment Act Regulation
OMB Control No. 1557-0160

A. Justification

1. Circumstances that make the collection necessary:

The Office of the Comptroller of the Currency (OCC) adopted a final rule to strengthen and modernize the Community Reinvestment Act (CRA)¹ by clarifying and expanding the activities that qualify for CRA credit; updating where activities count for CRA credit; creating a more consistent and objective method for evaluating CRA performance; and providing for more timely and transparent CRA-related data collection, recordkeeping, and reporting. The goals of this reform are to make the framework more objective, transparent, consistent in application, and reflective of changes in banking. Accomplishing these goals will make the CRA framework a better tool to encourage national banks and savings associations (banks) to engage in more activities to serve the needs of their communities, particularly in low- and moderate-income (LMI) communities and other communities that have been underserved under previous versions of the CRA regulatory framework. Together, the OCC-regulated banks covered by this final rule conduct a majority of all CRA activity in the United States.

2. Use of the information:

Under the final rule:

- Interested parties may request that the OCC confirm that an activity is a qualifying activity by submitting a complete Qualifying Activity Confirmation Request Form. 12 CFR 25.05(c)(1).
- Banks must request that the OCC confirm that an area is a CRA desert before receiving the CRA desert multiplier in an evaluation period. 12 CFR 25.06(b), (c)(1).
- A bank must delineate one or more assessment areas within which the OCC evaluates the bank's record of helping to meet the credit needs of its community. 12 CFR 25.09.
- To receive a designation as a wholesale or limited purpose bank, a bank must file a request, in writing, with the OCC, at least three months prior to the proposed effective date of the designation. 12 CFR 25.15(b).
- Banks that are not small banks must submit certain information for each assessment area and for the bank level on the Performance Context Form. 12 CFR 25.16(c).
- A bank must submit a strategic plan if the bank: (1) would otherwise be evaluated under § 25.13 and does not maintain retail domestic deposits on-balance sheet or (2) a bank not covered under § 25.18(b)(1) may submit a strategic plan for approval. 12 CFR 25.18.
- A bank evaluated under the general performance standards in § 25.13 and a bank evaluated under a strategic plan under § 25.18, unless otherwise determined in writing by the OCC, must collect and maintain the information required by 12 CFR 25.21 until completion of the

¹ P.L. 95-128, 91 Stat. 1147 (1977), codified at 12 U.S.C. 2901 *et seq.*

relevant CRA evaluation. 12 CFR 25.21.

- A small or intermediate bank evaluated under the small and intermediate bank performance standards under § 25.14 must collect and maintain data on the value of each retail domestic deposit account and the physical address of each depositor. 12 CFR 25.22.
- A wholesale or limited purpose bank evaluated under the wholesale and limited purpose performance standards in § 25.15 must collect and maintain qualifying community development loan, community development investment, and community development service and retail domestic deposit data until the completion of the relevant CRA evaluation. 12 CFR 25.23.
- Banks must keep the data collected under § 25.21 through § 25.23 in machine readable form (as prescribed by the OCC) until the completion of their next CRA evaluation. 12 CFR 25.25.
- Banks evaluated under the general performance standards in § 25.13, the wholesale and limited purpose performance standards in § 25.15, and banks evaluated under a strategic plan under § 25.18, unless otherwise determined in writing by the OCC, must report the information required by 12 CFR 25.26. 12 CFR 25.26.
- Banks must maintain a public file that includes all written comments and responses that specifically relate to assessment area needs and opportunities; a copy of the public section of the bank's most recent CRA performance evaluation; a list of the bank's branches, their street addresses, and census tracts; a list of the branches opened or closed, their street addresses, and geographies; a list of services offered; a map of each assessment area; and any other information the bank chooses. Banks with strategic plans must include a copy of the plan. Banks with less than satisfactory ratings must include a description of their current efforts to improve their performance in helping to meet the credit needs of their entire community. The banks must update the description quarterly. Banks must make this information available to the public. This information must be current as of April 1 of each year. 12 CFR 25.28.

3. Consideration of the use of improved information technology:

The OCC uses information technology to reduce compliance burden on banks and decrease costs to both the banks and the OCC.

To help alleviate the burden and expense of geocoding loans (the linking of geographic information and loan data), the Federal Financial Institutions Examination Council (FFIEC) provides a geocoding utility free-of-charge on its Web site (<http://www.ffiec.gov>). This program enables a bank to enter the address of a given property and obtain quickly the information needed to geocode the property. This Web site also provides demographic data about each property and has been used extensively by financial banks and the public.

4. Efforts to identify duplication:

The information collected under the OCC's CRA regulation pertains to bank-specific activities and lines of business in particular geographic areas. The information supports performance evaluations and bank-specific requests for approval of strategic plans and certain applications. For these reasons, almost all of the information collected pursuant to the CRA regulation is not otherwise available. Where the OCC already collects information useful for

CRA purposes, it has relied on the existing collection, rather than requiring banks to provide the information in a different format.

5. Methods used to minimize burden if the collection has an impact on small entities:

Small banks are subject to modest burden under the CRA regulation.

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

Reporting less frequently would decrease the utility of the data for both the public and the OCC. The OCC believes that a comparison, at least annually, of a bank's performance with that of their peer banks is a critical component in the CRA evaluation process.

7. Special circumstances necessitating the collection to be conducted in a manner inconsistent with 5 CFR part 1320:

The information collection requirements in the OCC's CRA regulation are consistent with 5 CFR part 1320.

8. Efforts to consult with persons outside the agency:

The OCC issued a notice of proposed rulemaking on January 9, 2020, 85 FR 1204. The OCC received one comment on the Paperwork Reduction Act from a bank trade association. The commenter stated that the OCC should not impose new reporting or disclosure requirements that do not serve a specific purpose under the evaluation framework, such as requiring a bank to collect and report CD activity that is not going to count toward a bank's CRA evaluation measure, as this would not meet a requirement of the Paperwork Reduction Act.

9. Payment to respondents:

Not applicable. There is no payment to respondents.

10. Assurance of confidentiality:

A primary purpose for collection of CRA data is disclosure to the public. Therefore, no assurance of confidentiality is made.

11. Justification for questions of a sensitive nature:

Not applicable.

12. Burden estimate:

Cite and Burden Type	Requirements in 12 CFR 25	No. of Respondents	Avg. hours per Response	Estimated Burden Hours
12 CFR 25.05(c)(1) Optional Reporting	<p><u>Qualifying activities confirmation and illustrative list.</u></p> <p><i>Process</i> – An interested party may request that the OCC confirm that an activity is a qualifying activity by submitting a complete Qualifying Activity Confirmation Request Form.</p>	121	20	2,420
12 CFR 25.06(b) & (c) (1) Reporting	<p><u>CRA desert confirmation.</u></p> <p><i>Confirmation of a CRA desert-</i> A bank must request that the OCC confirm that an area is a CRA desert in accordance with 25.06(c) before receiving the CRA desert multiplier in §25.08(b) in an evaluation period, even if that area is on the CRA desert list in paragraph (a) of this section.</p> <p><i>Process-</i> A bank may request that the OCC confirm that an area is CRA desert by submitting a request to the OCC detailing why the area is consistent with the definition of CRA desert in § 25.03.</p>	22	5	110
12 CFR 25.09 Reporting	<p><u>Assessment area.</u></p> <p>A bank must delineate one or more assessment areas within which the OCC evaluates the bank’s record of helping to meet the credit needs of its community.</p>	285	130	37,050
12 CFR 25.15(b) Optional Reporting	<p><u>Wholesale or limited purpose bank performance standards.</u></p> <p><i>Designation as a wholesale or limited purpose bank-</i> In order to receive a designation as a wholesale or limited purpose bank, a bank shall file a request, in writing, with the OCC, at least three months prior to the proposed effective date of the designation. If the OCC approves the designation, it remains in effect until the bank requests revocation of the designation or until one year after the OCC notifies the bank that the OCC has revoked the designation.</p>	25	5	125
12 CFR 25.16(c) Reporting	<p><u>Consideration of performance context.</u></p> <p><i>Form</i>– Banks that are not small banks must submit the information in paragraph (b) of this section for each assessment area and for the</p>	22	1,200	26,400

Cite and Burden Type	Requirements in 12 CFR 25	No. of Respondents	Avg. hours per Response	Estimated Burden Hours
	bank level on the Performance Context Form.			
12 CFR 25.18 Reporting	<p><u>Strategic plan.</u></p> <p>A bank must submit a strategic plan that meets the requirements of this section if the bank: (1) would otherwise be evaluated under § 25.13 and does not maintain retail domestic deposits on-balance sheet or (2) a bank not covered under paragraph (b)(1) of this section may submit a strategic plan to the OCC for approval.</p>	25	200	5,000
12 CFR 25.21 Recordkeeping	<p><u>Data collection for banks evaluated under the general performance standards in § 25.13 or a strategic plan under § 25.18.</u></p> <p>A bank evaluated under the general performance standards in § 25.13 and a bank evaluated under a strategic plan under § 25.18, unless otherwise determined in writing by the OCC, must collect and maintain the information required by this section until the completion of the relevant CRA evaluation.</p>	47	6,355	298,685
12 CFR 25.22 Recordkeeping	<p><u>Retail domestic deposit data collection for small and intermediate banks evaluated under the small and intermediate bank performance standards in § 25.14.</u></p> <p><i>Retail domestic deposit data collection</i> – A small or intermediate bank evaluated under the small and intermediate bank performance standards in § 25.14 must collect and maintain data on the value of each retail domestic deposit account and the physical address of each depositor.</p>	238	530	126,140
12 CFR 25.23 Recordkeeping	<p><u>Community development and retail domestic deposit data collection for wholesale and limited purpose banks evaluation under wholesale and limited purpose performance standards in §25.15.</u></p> <p>A wholesale or limited purpose bank evaluated under the wholesale and limited purpose performance standards in § 25.15 must collect and maintain the information required by this section until the completion of the relevant CRA evaluation.</p>	0	0	0
12 CFR 25.25	<u>Recordkeeping.</u>	285	360	102,600

Cite and Burden Type	Requirements in 12 CFR 25	No. of Respondents	Avg. hours per Response	Estimated Burden Hours
Recordkeeping	Banks must keep the data collected under § 25.21, § 25.22, and § 25.23 in machine readable form (as prescribed by the OCC) until the completion of their next CRA evaluation.			
12 CFR 25.26 Reporting	<p><u>Reporting for banks evaluated under the general performance standards in § 25.13, the wholesale and limited purpose bank performance standards in § 25.15, or a strategic plan under §25.18.</u></p> <p>Banks evaluated under the general performance standards in § 25.13 and banks evaluated under a strategic plan under § 25.18, unless otherwise determined in writing by the OCC, must report the information required by this section.</p>	47	40	1,880
12 CFR 25.28(a), (a)(1), (a)(2), (a)(3), (a)(4), (a)(5), (a)(6), (a)(7), (b)(1), (b)(2), (c), (d) Disclosure	<p><u>Content and availability of public file.</u></p> <p><i>Information available to the public</i> – A bank must maintain a public file that includes the following information:</p> <ul style="list-style-type: none"> • All written comments and responses. • A copy of the public section of the bank’s most recent CRA performance evaluation. • A list of the bank’s branches opened or closed, their street addresses, and census tracts. • A list of the branches opened or closed, their street addresses, and geographies. • A list of services offered. • A map of each assessment area. • Any other information the bank chooses. <p><i>Additional information available to the public</i> – Banks must include in its public file the following additional information:</p> <ul style="list-style-type: none"> • Banks with strategic plans: A copy of the strategic plan. • Banks with less than satisfactory ratings: A description of its current efforts to improve its performance in helping to meet the credit needs of its entire community. The bank must update the description quarterly. <p><i>Availability of public information</i> – Banks must make available to the public the information required in this section.</p>	285	10	2,850

Cite and Burden Type	Requirements in 12 CFR 25	No. of Respondents	Avg. hours per Response	Estimated Burden Hours
	<i>Updating</i> – Banks must ensure that the information required by this section is current as of April 1 of each year.			
Total				603,260

Cost of Hour Burden:

603,260 x \$ 114 = \$ 68,771,640

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. Estimate of the total annualized cost to respondents:

N/A.

14. Estimate of annualized cost to the federal government:

N/A.

15. Changes in burden:

Current Burden: 113,351
 Burden under Final Rule: 603,260
 Difference: + 489,909

The increase in burden is due to the implementation of the new regulation.

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

Not applicable.

17. Display of expiration date:

Not applicable. The information collections are contained in the regulation.

18. Exceptions to certification statement:

Not applicable.

B. Collections of information employing statistical methods

Not applicable.