

SUPPORTING STATEMENT  
COVERED FINANCIAL COMPANY ASSET PURCHASER ELIGIBILITY  
(OMB No. 3064-0194)

INTRODUCTION

The Federal Deposit Insurance Corporation (FDIC) is requesting a three-year renewal of the information collection for Covered Financial Company Asset Purchaser Eligibility (OMB No. 3064-0194). The current clearance for the collection expires on November 30, 2020. There is no change in the method or substance of the collection.

The Covered Financial Company Asset Purchaser Eligibility information collection implements the statutory requirement that assets held by the FDIC in the course of liquidating any covered financial company not be sold to persons who contributed to the demise of a covered financial company in specified ways.

A. JUSTIFICATION

1. Circumstances and Need

The FDIC is statutorily required to promulgate a regulation prohibiting the sale of assets of a covered financial company to certain individuals or entities that profited or engaged in wrongdoing at the expense of those failed institutions, or seriously mismanaged those failed institutions. The statute specifies classes of persons prohibited from purchasing assets of covered financial companies from the FDIC. (Section 210(r) of the Dodd-Frank Act, 12 U.S.C. 5390(r)). The statutory requirement was implemented by a final rule, “Restrictions on sale of assets of a covered financial company by the Federal Deposit Insurance Corporation,” 12 CFR Part 380. The final rule requires prospective purchasers to complete and submit a Purchaser Eligibility Certification (PEC) to the FDIC. The PEC is a self-certification by a prospective purchaser that it does not fall into any of the categories of individuals or entities that are prohibited by statute or regulation from purchasing the assets of covered financial companies. The PEC will be required in connection with the sale of assets by the FDIC as receiver for a covered financial company.

2. Use of Information Collected

The FDIC uses the information collected to ensure compliance with the statutory requirements before each sale of assets.

3. Use of Technology to Reduce Burden

This form may be submitted via hard copy or electronic media.

4. Efforts to Identify Duplication

There is no duplication. The information is not available elsewhere.

5. Minimizing the Burden on Small Banks

There is no significant economic impact on a substantial number of small entities because a covered financial company is, in general, likely to be a large entity with more than \$50 billion in assets. In particular, a covered financial company is likely to be sold in major components, such as subsidiaries or business lines. It is therefore unlikely that small entities will be prospective purchasers of covered financial company assets in an orderly liquidation under Title II of the Dodd-Frank Act.

6. Consequences of Less Frequent Collection

As a result of the statute's prohibition, each purchase of assets of a covered financial company from the FDIC requires a determination that the prospective purchaser is not prohibited from purchasing.

7. Special Circumstances

There are no special circumstances.

8. Consultation with Persons Outside the FDIC

A notice seeking public comment for a 60-day period was published in the *Federal Register* on September 23, 2020 (82 FR 59797). No comments were received.

9. Payment or Gift to Respondents

None.

10. Confidentiality

Assets held by the FDIC in the course of liquidating any covered financial company must not be sold to persons who contributed to the demise of a covered financial company in specified ways (e.g., individuals who profited or engaged in wrongdoing at the expense of the failed institution, or seriously mismanaged the failed institution). 12 CFR Part 380 requires prospective purchasers to complete and submit a PEC to the FDIC. The PEC is a self-certification by a prospective purchaser that it does not fall into any of the categories of individuals or entities that are prohibited by statute or regulation from purchasing the assets of covered financial

companies. The PEC will be required in connection with the sale of assets by the FDIC, as receiver for a CFC, or the sale of assets by a BFC which requires the approval of the FDIC, as receiver for the predecessor CFC and as the sole shareholder of the BFC. The PEC indicates that information may be furnished to third parties as authorized by law and in accordance with any of the other routine uses described in the FDIC Potential Bidders List (FDIC 30–64–0019) System of Records.

11. Information of a Sensitive Nature

The application requires sensitive information pertaining to a prospective purchaser. This information includes Personally Identifiable Information (“PII”)<sup>1</sup>, including name, address, telephone number and social security number. This information is necessary to assist the FDIC in identifying qualified potential purchasers and to solicit bids for assets.

The Systems of Records Notice associated with this collection (FDIC 30–64–0019 Potential Bidders List) may be viewed at the following link: <https://www.fdic.gov/regulations/laws/rules/2000-4000.html>. The applicable Privacy Impact Assessment is also available at <https://www.fdic.gov/about/privacy/assessments.html>.

12. Estimate of Hour Burden and Annual Costs

Number of respondents: 10

Time per response: 30 minutes.

Total annual burden: 5 hours.

Estimate of annualized cost: 10 responses x .5 hour x \$80/hour = \$400.

2020 Summary of Annual Burden and Internal Cost (3064-0194)						
	Type of Burden	Estimated Number of Respondents	Estimated Number of Responses	Estimated Time per Response	Frequency of Response	Total Annual Estimated Burden
<b>Covered Financial Company Asset Sales Purchaser Eligibility Certification</b>	Reporting	10	1	30 minutes	Annual	5 hours
<b>TOTAL HOURLY BURDEN</b>						5
<b>TOTAL INTERNAL COST*</b>	\$80.00	/HR				\$400.00

<sup>1</sup> The term “Personally Identifiable Information” refers to information which can be used to distinguish or trace an individual’s identity, such as their name, social security number, biometric records, etc. alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother’s maiden name, etc.

13. Capital, Start-Up and Maintenance Costs

None.

14. Estimated Annual Cost to the Federal Government

None.

15. Reason for Change in Burden

None. There is no change in the method or substance of the collection.

16. Publication.

Not applicable.

17. Display of Expiration Date

Not applicable.

18. Exceptions to Certification

None.

B. STATISTICAL METHODS

Not applicable.