

SUPPORTING STATEMENT
REPORTING AND RECORDKEEPING REQUIREMENTS FOR BROKERED DEPOSITS
(OMB No. 3064-0099)

INTRODUCTION

The FDIC is requesting OMB approval for a three-year extension without revision to the information collection, as captioned above. The current clearance expires on November 30, 2020.

A. JUSTIFICATION

1. Circumstances and Need

In general, section 29 of the Federal Deposit Insurance Act prohibits undercapitalized insured depository institutions from accepting, renewing, or rolling over any brokered deposit. Adequately capitalized institutions may do so with a waiver from the FDIC. The requirements for a brokered deposit waiver are found at 12 CFR 303.243.

2. Use of Information Collected

The applicant is required to furnish information in letter form. Generally, the required information pertains to the timeframe for which the waiver is requested; policies governing the use of the deposits; the volume, rates, and maturities of deposits held and anticipated; asset growth plans; procedures and practices regarding deposit solicitations; management oversight of the solicitation, acceptance, and use of the deposits; the reasons the institution believes its acceptance, renewal, or rollover of brokered deposits would pose no undue risk; and a recent consolidated financial statement, including balance sheet and income statement.

The information furnished by the applicant is used by the FDIC as a basis for evaluating the factors required by statute before approving the application. Specifically, the FDIC must determine that the acceptance of such deposits does not constitute an unsafe or unsound practice with respect to such institution.

3. Use of Technology to Reduce Burden

The information is collected through *FDICConnect*, a secure interactive Website.

4. Efforts to Identify Duplication

This collection does not duplicate information available elsewhere. The information is unique to the occasion to which the application relates.

5. Minimizing the Burden on Small Banks

The information collected is only that required to evaluate the applicant, giving consideration to the statutory factors enumerated in section 29 of the FDI Act.

6. Consequences of Less Frequent Collections

The information is collected only when an adequately capitalized insured depository institution wishes to accept, renew, or rollover brokered deposits.

7. Special Circumstances

None.

8. Consultation with Persons Outside the FDIC

A Federal Register notice seeking comment for this collection for a period of 60 days was published on September 4, 2020 (85 FR 55287). No comments were received.

9. Payment or Gift to Respondents

Not applicable.

10. Confidentiality

Information will be kept private to the extent allowed by law.

11. Information of a Sensitive Nature

No information of a sensitive nature is required.

12. Estimate of Annual Burden

2020 Summary of Annual Burden and Internal Cost (3064-0099)						
	Type of Burden	Estimated Number of Respondents	Estimated Number of Responses	Estimated Time per Response	Frequency of Response	Total Annual Estimated Burden
Re Application for Waiver of Prohibition on Acceptance of Brokered Deposits	Reporting	15	1	6 hours	On Occasion	90 hours
TOTAL HOURLY BURDEN						90 hours
TOTAL INTERNAL COST*	\$104.15	/HR				\$9,373.50

Total Annual Burden: 90 hours

The total estimated annual cost for all respondents is:

90 hours x \$104.15 = \$9,373.50.

Summary of Hourly Burden Cost Estimate (3064-0099)

Estimated Category of Personnel Responsible for Complying with the PRA Burden	Total Estimated Hourly Compensation	Estimated Weights	Weighted Hourly Wage
Executives and Managers ¹	\$121.63	55%	\$66.90
Lawyers ²	\$149.39	10%	\$14.93
Compliance Officers ³	\$66.43	10%	\$6.64
IT Specialists ⁴	\$91.05	5%	\$4.55
Financial Analysts ⁵	\$78.32	10%	\$7.83
Clerical ⁶	\$32.99	10%	\$3.30
Weighted Average			\$104.15

Source: Bureau of Labor Statistics: "National Industry-Specific Occupational Employment and Wage Estimates: Industry: Credit Intermediation and Related Activities (5221 And 5223 only)" (May 2019), Employer Cost of Employee Compensation (June 2020), Consumer Price Index (June 2020).

Note: The 75th percentile wage information reported by the BLS in the Specific Occupational Employment and Wage Estimates does not include health benefits and other non-monetary benefits. According to the March 2020 Employer Cost of Employee Compensation data compensation rates for health and other benefits are 33.9 percent of total compensation. Additionally, the wage has been adjusted for inflation according BLS data on the Consumer Price Index for Urban Consumers (CPI-U) so that it is contemporaneous with the non-wage compensation statistic. The inflation rate was 0.67 percent between May 2019 and June 2020.

13. Capital, Start-up, Operating, and Maintenance Cost Burden

None.

14. Estimated Annual Cost to Federal Government

None.

15. Reason for Change in Burden

1 Occupation (SOC Code): Management Occupations (110000).

2 Occupation (SOC Code): Legal Occupations (230000).

3 Occupation (SOC Code): Compliance Officers (131040).

4 Occupation (SOC Code): Computer and Mathematical Occupations (150000).

5 Occupation (SOC Code): Financial and Investment Analysts, Financial Risk Specialists, and Financial Specialists, All Other (132098).

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

There is no change in the method or substance of the collection. The overall reduction in burden hours of is a result of economic fluctuation. In particular, the number of respondents decreased from 30 to 15, and the hours per response remained the same.

16. Publication

There is no publication of the information collected.

17. Display of Expiration Date

Not applicable.

18. Exceptions to Certification

None.

B. STATISTICAL METHODS

Statistical methods are not employed in this collection of information.