

Supporting Statement
Comptroller's Licensing Manual
OMB Control No. 1557-0014

This supporting statement is being submitted in connection with a final rule titled "Licensing Amendments."

The final rule:

- Adds new definitions to add clarity and consistency across part 5. This includes proposing a single definition *well managed* applicable throughout part 5. 12 CFR 5.3.
- Requires each proposed organizer, director, executive officer, or principal shareholder to submit information prescribed in the Interagency Biographical and Financial Report and legible fingerprints. This amendment merely codifies current application requirements and will not result in a change in burden. 12 CFR 5.20.
- Eliminates the bylaw amendment notice requirement for Federal savings associations that adopt without change the OCC's model or optional bylaws set forth in the rule. 12 CFR 5.21, 5.22.
- Requires that applications to convert to a Federal savings association or national bank include: a list of directors and senior executive officers of the converting institution; and a list of individuals, directors, and shareholders who directly or indirectly, or acting in concert with one or more persons or companies, or together with members of their immediate family, do or will own, control, or hold 10 percent or more of the converting institution's stock. This amendment merely codifies current application requirements and will not result in a change in burden. 12 CFR 5.23(d)(2)(ii), 5.24(e)(2).
- Permits the OCC to require directors and senior executive officers of a converting institution to submit the Interagency Biographical and Financial Report and legible fingerprints. This amendment merely codifies current application requirements and will not result in a change in burden. 12 CFR 5.23, 5.24.
- Requires that applications for national banks or Federal savings associations that wish to engage in the exercise of fiduciary powers include, if requested by the OCC, the Interagency Biographical and Financial Report and legible fingerprints. 12 CFR 5.26.
- Requires a filer of a business combination application under CRA to disclose whether it has entered into and disclosed a covered agreement, as defined in 12 CFR 35.2. A filer must also provide summaries of, or documents related to, all substantive discussions with respect to the development of the content of a CRA sunshine agreement. 12 CFR 5.33(e)(1)(iii).
- Removes the requirement that a disappearing national bank or Federal savings association consolidating or merging with another OCC-supervised institution provide a notice to the OCC. § 5.33(g), (k).
- For national bank operating subsidiaries, expands the after the fact notice for national banks to activities that are substantially the same as previously approved activities that will be conducted in accordance with the same terms and conditions applicable to the previously approved activity. Expands the list of eligible entities to include trusts provided that the bank or operating subsidiary has the ability to replace the trustee at will and be the sole beneficial owner of the trust. 12 CFR 5.34.
- Removes the requirement for a national bank to file an annual report identifying its operating subsidiaries that do business directly with consumers and are not functionally

regulated. 12 CFR 5.34.

- For national bank non-controlling investments and Federal savings association pass-through investments, expands the activities eligible for notice to activities that are substantially the same as previously approved activities. 12 CFR 5.36, 5.58.
- Allows national banks and Federal savings associations to file an application to make a non-controlling investment or a pass-through investment, respectively, in an enterprise that has not agreed to be subject to OCC supervision and examination. 12 CFR 5.36(f), 5.58(f).
- Allows national banks and Federal savings associations to make non-controlling investments or a pass-through investments, respectively, without a filing if the activities of the enterprise are limited to those previously reported to the OCC in connection with a prior investment. 12 CFR 5.36, 5.58.
- For Federal savings association operating subsidiaries, expands the expedited approval process for Federal savings associations to include activities that are substantially the same as previously approved activities that will be conducted in accordance with the same terms and conditions applicable to the previously approved activity. Expands the list of eligible entities to include trusts provided that the Federal savings association or operating subsidiary has the ability to replace the trustee at will and be the sole beneficial owner of the trust. 12 CFR 5.38.
- Permits national banks to request approval for a reduction in permanent capital for multiple quarters. 12 CFR 5.46.
- Regarding subordinated debt notes, allows national banks to omit inapplicable provisions when warranted, and require national banks to disclose in subordinated debt notes that the subordinated debt obligation may be fully subordinated to interests held by the U.S. government in the event that the national bank enters into a receivership, insolvency, liquidation, or similar proceeding. 12 CFR 5.47.
- Revises the standard for when prior approval is required for a national bank's issuance of subordinated debt and for prepayment of any subordinated debt that is not included in tier 2 capital 12 CFR 5.47(f).
- Requires OCC approval for a material change to an existing subordinated debt document if the national bank would have been required to receive OCC approval to issue the security under § 5.47(f)(1) or to include it in tier 2 capital under § 5.47(h). 12 CFR 5.47.
- Adds the position of *chief risk officer* to the definition of senior executive officer. This change requires prior OCC approval for the employment of an individual as a chief risk officer by a national bank or Federal savings association in troubled condition. 12 CFR 5.51.
- Requires a covered security (inclusion of subordinated debt and mandatorily redeemable preferred stock) issued by a Federal savings association to state that it may be fully subordinated to interests held by the U.S. government in the event that the savings association enters into a receivership, insolvency, liquidation, or similar proceeding. 12 CFR 5.56.
- Permits the OCC to require any senior executive officer of a Federal branch or agency submitting a filing to submit an Interagency Biographical and Financial Report and legible fingerprints. This amendment merely codifies current application requirements and will not result in a change in burden. 12 CFR 5.70.

The requirements of the current rules are set forth in Item #2 below.

A. Justification.

The information collection requirements ensure that national banks and federal savings associations (FSA) (hereafter “bank” or “banks”) conduct their operations in a safe and sound manner and in accordance with applicable federal banking statutes and regulations. The information is necessary for regulatory and examination purposes.

The Comptroller’s Licensing Manual (Manual) sets forth the OCC’s policies and procedures for the formation of a bank or federal branch or agency, entry into the federal banking system by other institutions, and corporate expansion and structural changes by existing banks. The Manual includes sample documents to assist the applicant in understanding the types of information the OCC needs in order to process a filing. An applicant may use the format of the sample documents or any other format that provides sufficient information for the OCC to act on a particular filing, including the OCC’s electronic filing system, the Central Application Tracking System (CATS).

1. *Circumstances that make the collection necessary:*

The Manual contains all required procedures, sample forms, and regulations regarding OCC corporate approvals. The Manual is needed to standardize the OCC’s processing of corporate filings, to ensure consistency in the recordkeeping and decision-making processes, and to provide information regarding the criteria generally considered by the OCC in reviewing a corporate filing.

The circumstances that make each element of this collection of information necessary are:

(a) Background Investigations

Interagency Biographical and Financial Report – OCC regulations require the OCC to perform background investigations on proposed organizers, executive officers, directors, and principal shareholders of banks to determine if they have the experience, competence, integrity, character, financial ability, and willingness to direct or lead a bank's affairs in a safe, sound, and legal manner.

The OCC needs this information to accomplish these statutorily required background investigations. As part of its background investigations, the OCC performs standard background checks through the Internal Revenue Service Tax Check Program.

The following statutes and regulations apply:

Statutes: 12 U.S.C. 21, 22, 24(Seventh), 26, 27, 92a, 93a, 1464(e)(1), 1814(b), 1816, 1817, and 2903.

Regulations: 12 CFR 5.20, 5.50, 5.51, and 163.33; 28 CFR 16.34 and 20.33.

(b) Public Notice and Comments – OCC regulations require an applicant to publish a public notice of its filing in a newspaper of general circulation in the community in which the applicant proposes to engage in business.

The following statutes and regulations apply:

Statutes: 12 U.S.C. 1 *et seq.*, 93a, 1817(j), and 18 U.S.C. 1001.

Regulations: 12 CFR 5.8, 5.9, 5.10, 5.11, and 5.50.

(a) Charter

- (1) Charter – OCC must approve the establishment of a bank. The application, includes a business plan and an oath of a bank director. The application is the single comprehensive source of information pertinent to this decision on an applicant's request.

The following statutes and regulation apply:

Statutes: 12 U.S.C. 21, 22, 24(Seventh), 26, 27, 92a, 93a, 1464(a), 1814(b), 1816, and 2903.

Regulations: 12 CFR 5.20 and 7.2008.

- (2) Corporate Organization – Federal law also requires that an existing or organizing bank forward to the OCC corporate organizational documents. The OCC's public website contains examples of the most common types of resolutions and amendments to articles of association, charter, proxy cards, bylaws, and an organization certificate. The OCC previously reported this information under the Corporate Organization booklet, which has been deleted from the Manual series.

All federally-chartered savings associations are required to file and receive prior approval for changes to their charter and/or bylaws. The charter and bylaws of an insured FSA are formal documents created when a savings association establishes its corporate existence. The charter states the scope, purpose, and duration for the corporate entity. For a federally-chartered savings association, the charter confirms that the board of directors has formally committed the institution to Section 5 of the Home Owners' Loan Act ("HOLA") and other applicable statutes and regulations governing federally-chartered savings associations. The OCC will review the application or notice to determine compliance with the regulations and policy.

The following statutes and regulations apply:

Statutes: 12 U.S.C. 21, 21a, and 1461 *et seq.*

Regulations: 12 CFR 5.20, 5.21, 5.22, 5.25, and 5.33.

- (3) Banker's Bank – OCC regulations require that a banker's bank seeking a waiver of a statutory provision must request the waiver in a letter to the OCC. The letter must include information on why the waiver is requested and supporting legal analysis. This information is necessary in order to make a determination as to whether a waiver should be granted.

The following statutes and regulation apply:

Statutes: 12 U.S.C. 1 *et seq.* and 27.

Regulations: 12 CFR 5.20.

- (b) Conversions – Institutions must request OCC permission to convert to a bank. OCC regulations require that a converting financial institution provide information related to

its request to convert its charter. The OCC needs this information to determine whether to grant permission.

The following statutes and regulations apply:

Statutes: 12 U.S.C. 1 *et seq.*, 35, 214a, 214b, 214c, and 1464(i).

Regulations: 12 CFR 5.23 and 5.24.

- (c) Federal Branches and Agencies – OCC regulations require that a foreign bank desiring to establish a federal branch or agency file an application or notice with the OCC. Prior to approval, the OCC must consider the potential effect on competition in domestic and foreign commerce in the United States, the financial and managerial resources and future prospects of the applicant foreign bank and the branch or agency, and the convenience and needs of the community to be served.

The OCC needs the information in the application or notice to consider the required decision factors in the statute. This application is the OCC's primary information source in conducting this assessment and is, therefore, essential to the OCC's decision making process.

The following statute and regulations apply:

Statutes: 12 U.S.C. 3101 *et seq.*

Regulations: 12 CFR 5.70; 12 CFR part 28.

- (d) Branches and Relocations – A bank must obtain prior approval or give notice to the OCC to establish, acquire, or relocate a main office or branch. This section contains required requests and other information essential to the OCC's decision-making process.

The following statutes and regulations apply:

Statutes: 12 U.S.C. 1-42, 93a, 1464, 2901-2907, 16 U.S.C. 470 *et seq.*, 42 U.S.C. 4321 *et seq.*

Regulations: 12 CFR 5.30, 5.31, 5.40, 5.52, and 145.91; 36 CFR 800.1 *et seq.*, 40 CFR 1500.1 *et seq.*

- (e) Business Combinations and Failure Acquisitions – OCC approval is required for any merger, corporate reorganization, or acquisition of a failed institution that will result in a bank. The interim bank charter, the streamlined business combination, and Interagency Bank Merger Act applications provide necessary information relative to an applicant's request.

The following statutes and regulations apply:

Statutes: 12 U.S.C. 24 (Seventh), 93a, 181, 214a, 214b, 215, 215a, 215a-1, 215a-2, 215a-3, 215c, 1462, 1462a, 1463, 1464, 1467a, 1815(a), 1815(d)(3), 1828(c), 1831u, 2901, 2903, Sec. 102 Pub. L. No. 103-328, and 1464(d)(2)&(3).

Regulations: 12 CFR 5.32 and 5.33.

- (f) Fiduciary Powers – OCC approval is required for a bank to exercise fiduciary powers. The request letter represents the bank's conformity with the governing statute and its commitment to retain qualified trust management. Additionally, a bank shall file a notice

after opening a trust office in a state other than its home office state. This notice provides the OCC with the location of the bank's trust offices for supervisory purposes.

The following statutes and regulation apply:

Statutes: 12 U.S.C. 92a, 12 U.S.C. 1464(n).

Regulations: 12 CFR 5.26.

(g) Investment in Subsidiaries and Equities

- (1) Operating Subsidiaries – OCC regulations require that a bank obtain OCC approval prior to establishing, acquiring, or performing new activities in an operating subsidiary. In certain instances, a national bank may file a notice after commencing an operating subsidiary activity. The application or notice provides the OCC with needed information regarding the activities and location(s) of the operating subsidiary.

The following statutes and regulations apply:

Statutes: 12 U.S.C. 24(Seventh), 93a, and 1828(m).

Regulations: 12 CFR 5.34, 5.38, 5.39, and 5.58.

- (2) Financial Subsidiaries – A national bank must obtain the approval of the OCC prior to acquiring control of, or holding an interest in, a financial subsidiary, and prior to commencing a new activity in an existing subsidiary. A national bank that intends to acquire control of, or hold an interest in, a financial subsidiary, or to commence a new activity in an existing financial subsidiary, may obtain OCC approval through filing a certification with subsequent notice or a combined certification and notice. The notice provides the OCC with needed information to determine whether the national bank satisfies the factors set forth in the statutes and regulation.

The following statutes and regulation apply:

Statutes: 12 U.S.C. 24a, 15 U.S.C. 6801.

Regulations: 12 CFR 5.39.

- (3) Bank Service Companies – OCC regulations require that a bank must obtain the prior approval of the OCC to invest in a bank service company. OCC regulations require that a bank notify the OCC prior to its investment in certain bank service companies. The OCC needs this information to consider its decision.

The following statutes and regulation apply:

Statutes: 12 U.S.C. 93a, 1861 to 1867, and 1843(c)(8).

Regulations: 12 CFR 5.35.

- (4) Investments – OCC regulations require a national bank that wishes to invest in an agricultural credit corporation, an eligible savings association, or any other equity investment authorized by statute after February 12, 1990, to provide notice to the appropriate OCC district office. The regulation also requires that a national bank or a federal branch making a non-controlling investment, directly or through an operating

subsidiary, file a written notice or application. The regulations further require an FSA making a pass-through investment, directly or through its operating subsidiary, to file an after-the-fact notice or an application. The OCC uses the information to make its decision.

The following statutes and regulations apply:

Statutes: 12 U.S.C. 24(Seventh) and 93a.

Regulations: 12 CFR 5.36 and 5.58.

- (5) Thrift Service Corporations – OCC regulations require that an FSA obtain OCC approval prior to establishing or acquiring a subsidiary or performing new activities in a thrift service corporation. The application provides the OCC with needed information regarding the activities and location(s) of the service corporation.

The following statutes and regulation apply:

Statutes: 12 U.S.C. 1464(c)(4)(B) and 1828(m).

Regulations: 12 CFR 5.59.

- (h) Branch Closings – Federal law requires a bank to notify the OCC if it closes a branch or if it converts a brick and mortar branch to an ATM branch. The notice serves as the OCC's primary method for gathering information necessary to cancel branch certificate numbers and update its database.

The following statute applies: 12 U.S.C. 1831r-1.

- (i) Termination of National Bank or FSA Charter – OCC regulations require a bank to notify the OCC of its intent to voluntarily liquidate, merge out, or convert out of the bank charter. The notice serves as the OCC's primary method for gathering information necessary to update its database.

The following statutes and regulations apply:

Statutes: 12 U.S.C. 93a, 181, 182, 2901 *et seq.* 12 U.S.C. 1464(d)(3)(A).

Regulations: 12 CFR 5.25, 5.33(k), and 5.48.

- (j) Capital and Dividends; Subordinated Debt – Federal law and OCC regulations require that a bank obtain OCC approval or, in some cases, provide notice to the OCC in connection with a change in equity capital, an issuance or prepayment of subordinated debt, and the payment of dividends under certain circumstances. The applications are titled, “Increase in Permanent Capital,” “Reduction of Permanent Capital/Dividends Payable in Property Other Than Cash,” “Reverse Stock Split,” “Quasi-Reorganization,” “Reduction of Permanent Capital and Capital Distribution,” “Issuance of Subordinated Debt,” and “Prepayment of Subordinated Debt.” These applications are necessary for the OCC to decide whether to grant preliminary approval for a bank's request to change permanent capital or issue subordinated debt.

The following statutes and regulations apply:

Statutes: 12 U.S.C. 21a, 51, 51a, 51b, 51b-1, 52, 56, 57, 59, 60, and 93a.

Regulations: 12 CFR 5.45, 5.46, 5.47, 5.55, 5.56, 5.60, 5.61, 5.62, 5.63, 5.64, 5.65, 5.66, and 5.67.

- (k) Change in Control – Any individual, group, or company that proposes to acquire control of a bank must submit prior notice of that intent to the OCC. The OCC uses the information to make its decision.

The following statutes and regulation apply:

Statutes: 12 U.S.C. 93a and 1817(j).

Regulations: 12 CFR 5.50.

- (l) Change in Senior Executive Officer and Director – Whenever a change in control occurs, the bank must promptly report to the appropriate federal banking agency any changes or replacements of its senior executive officer or of any director occurring in the next 12-month period. Also, prior notice and approval is required for any additions to the board of directors or senior executive officers if: the bank is not in compliance with minimum capital requirements; is otherwise in troubled condition; or after OCC review of the plan required under section 38 of the Federal Deposit Insurance Act, the OCC determines that prior notice is appropriate.

The following statutes and regulations apply:

Statutes: 12 U.S.C. 1817(j), 1831i, 5412(b)(2)(B).

Regulations: 12 CFR 5.50(h) and 5.51.

- (m) Director Waivers – Every national bank director must be a citizen of the United States and a majority of the national bank directors must reside in the state where the bank is located. The OCC may waive the requirement of citizenship for not more than a minority of the total number of directors and the residency requirement for a majority or all of the directors. A national bank may file a letter requesting a waiver of the citizenship or residency requirements. The OCC needs this information to make an informed decision.

The following statute applies:

Statute: 12 U.S.C. 72.

- (n) Change of Corporate Title and Address – OCC regulations require a bank that changes its corporate title or address to inform the OCC of that change. The filing serves as the OCC's primary method for gathering the information to keep the bank databases up to date.

The following statutes and regulations apply:

Statute: 12 U.S.C. 21a, 22, 30, 31, 93a, 161 and 481.

Regulations: 5.42 and 5.52.

- (o) Management Interlocks – Banks may apply to the OCC for exemption from the prohibitions on management interlocks that would result in a monopoly or substantial

lessening of competition and would not present safety and soundness concerns. The OCC needs the information in the application to grant appropriate exemptions that foster competition between unaffiliated institutions.

The following statutes and regulations apply:

Statute: 12 U.S.C. 3201-3208.

Regulation: 12 CFR 26.6.

- (p) Customer Satisfaction Survey – This survey is conducted as part of the OCC’s quality assurance program. The OCC uses this information to evaluate its efforts in meeting its continuing goal of providing the best service possible to individuals and banks that file corporate applications. The OCC reviews each voluntary survey returned by an applicant in order to evaluate agency efforts to improve customer satisfaction and provide the best possible corporate activity services.
- (q) Substantial Asset Change – OCC regulations require a bank to obtain prior written approval: for a change in the composition of all, or substantially all, of the bank’s assets, either through the sale or other disposition of assets; once having disposed of all or substantially all the assets, reactivates its operations through the subsequent purchase, acquisition, or other expansion of its operations; for any other purchases, acquisitions or other expansions of operations that are part of a plan to increase the size of the bank by more than 25 percent in a one year period; for any other material increase or decrease in the size of the bank or a material alteration in the composition of the types of assets or liabilities of the bank; or for any change in the purpose of the bank’s charter. The OCC needs this information to assess the impact of the transaction on the safety and soundness of the bank and its effect on the bank’s customers.

The following statutes and regulation apply:

Statutes: 12 U.S.C. 93a and 1818.

Regulation: 12 CFR 5.53.

2. Use of the information:

Bankers and other interested parties use the Manual to determine where and how to file an application and to identify the legal requirements affecting corporate changes. Bankers, other interested persons, and OCC personnel use the Manual to further their understanding of corporate activities filing processes and timeframes. The Manual is the primary procedural guide for OCC personnel.

The information collected through the notifications and forms assists the OCC in fulfilling its statutory responsibility as a supervisor. The OCC uses the information to evaluate the controlling owners, senior officers, and directors of the insured depository institutions subject to their oversight.

The uses of these collections of information are as follows:

(a) Background Investigations:

Interagency Biographical and Financial Report – The OCC uses the biographical information to evaluate the competence, experience, character, integrity, and financial ability of the persons proposed to serve as organizers, senior executive officers, directors, or principal shareholders. The OCC uses the financial information to evaluate the financial ability of persons proposed to serve as organizers, executive officers, directors, or principal shareholders.

(b) Public Notice and Comments – Public and consumer groups use this public notice to determine if they wish to offer comments about a bank’s regulatory performance. The OCC takes into consideration comments submitted from the public in its decision making process.

(c) Charters – The OCC uses the application to determine whether to grant a request to organize a bank. A group requesting approval to organize a bank uses the sample application and business plan to ensure that they submit all information needed to evidence compliance with certain laws. By analyzing the information submitted, OCC can make a decision based on whether all legal requirements are met and how changes affect the proposal.

The OCC uses the corporate organization submissions to ensure that all amendments are lawful and that the shareholders have authorized the necessary amendments. Bankers use the sample charter, bylaws, resolutions, amendments, and certification of articles of association as models of how to advise the OCC of changes to the articles of association, charter, or bylaws of a bank.

The OCC uses the waiver request letter to determine whether to grant a waiver to a banker’s bank. The Manual requires the minimal amount of information necessary for the OCC to consider the request and render a decision.

(d) Conversions – The OCC uses the application to determine whether to grant or deny a financial institution’s request to convert to a bank.

(e) Federal Branches and Agencies – The OCC uses the application to decide whether to approve a request from a foreign bank to establish a federal branch or agency or to make a non-controlling equity investment. The information enables the OCC to analyze factors such as proposed directors and principal officers, capital structure, the effects on competition, convenience and needs of the community, community reinvestment plans, and environmental impact. Bankers use the samples as guides in the submission of required information.

(f) Branches and Relocations – The OCC uses the various branch applications and branch and main office relocation applications to evaluate the proposed expansion for legal and prudent purposes.

- (g) Business Combinations and Failure Acquisitions – The OCC uses the various applications to decide whether to grant or deny a bank’s proposal to combine with or acquire another depository institution.
- (h) Fiduciary Powers – The OCC uses the application letter to determine whether to grant or deny a bank’s request to exercise fiduciary powers.
- (i) Investment in Subsidiaries and Equities:
 - (1) Operating and Financial Subsidiaries – The OCC uses the application or notice to determine if the proposed activity is permissible for national bank and FSA operating subsidiaries and national bank financial subsidiaries.
 - (2) Bank Service Companies – The OCC uses the application to determine if the bank’s investment in a bank service company is permissible.
 - (3) Investments – The OCC uses the application or notice to determine if the proposed activity is authorized for banks, Federal branches, and their subsidiaries.
 - (4) Thrift Service Corporations – The OCC uses the application or notice to determine if the FSA’s investment in a service corporation and the activity of the service corporation are permissible.
- (j) Branch Closings – The OCC uses the notice to update its listing of the number of branch offices operated by banks and to test compliance with certain statutory requirements, such as the Community Reinvestment Act (CRA), which must be met before the OCC can approve various types of corporate activities.
- (k) Termination of National Bank or FSA Charter – The OCC uses the termination notice to monitor the orderly closing, merger out, or charter conversion of a bank.
- (l) Capital and Dividends; Subordinated Debt – The OCC uses the application to determine whether to grant or deny a request to change capital or the issuance or prepayment of any subordinated debt. The OCC uses the various notifications to determine that the change occurred and whether it complied with legal and regulatory requirements.
- (m) Change in Control – The OCC uses the notice to decide whether to approve or disapprove a proposed acquisition, using the regulatory decision criteria, including future prospects.
- (n) Change in Senior Executive Officer or Director – The OCC uses the notice to monitor any change in management officials or members of the board of directors.
- (o) Director Waivers – The OCC uses the notice to determine whether to grant a request for a waiver of the requirements.
- (p) Change of Corporate Title and Address – The OCC uses this information to maintain

current records for regulatory and supervisory mailings.

- (q) Management Interlocks – The OCC uses the information to assess whether a proposed management interlock is permitted under statute or eligible for an exemption under section 2210(c) of the Economic Growth and Regulatory Paperwork Reduction Act of 1996, and whether it has an anticompetitive effect.
- (r) Customer Satisfaction Survey – The OCC uses survey information to identify areas where it can improve its processing of corporate applications and service to banks. OCC personnel use the information to identify problem areas and to analyze, as appropriate, the practices and procedures in those areas. Further, OCC personnel use the information to design improved methods, as applicable.
- (s) Substantial Asset Change – The OCC uses the information to assess impact to the bank’s safety and soundness and any effect on customers.

3. Consideration of the use of improved information technology:

As of 2017, all banks can submit an application or notice to the OCC via a secure Web-based electronic application system, CATS. Aside from certain documents that require an original signature, notary, or bank seal, all required information can be provided electronically in CATS. CATS also auto-populates certain bank information, further reducing burden. The following applications and notices continue to be submitted only in paper form: all application and notices related to federal branches and agencies; the interagency charter and federal deposit insurance application; the interagency notice of change in control; and the conversion application.

4. Efforts to identify duplication:

Each submission is unique to the situation of the individual bank. The procedures in the Manual were established to use, wherever possible, information that is already available to the OCC. For example, in business combinations, a streamlined procedure has been initiated to use Call Reports on file as well as the records available at the OCC for existing bank managers and directors. Because the OCC does not require a bank to submit information in any particular format, in some circumstances, an institution may determine that it has prepared similar information for another purpose. The OCC will accept any filing that clearly provides the required information. The OCC may accept an application form submitted to another federal agency if the application contains substantially the same information that the OCC requires. An applicant also may incorporate by reference any material contained in any other application filed with the OCC, provided the material is attached to the application and is current and responsive to the information requested. The filing must clearly indicate that the information is incorporated by reference and include a citation to the information incorporated.

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

The burden for this collection has been reduced to the minimum possible under the governing

statutes and in keeping with OCC's supervisory responsibilities. Only the information necessary for the OCC to fulfill its statutory responsibilities for any bank, regardless of size, is requested.

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

The information is collected infrequently—only as the situation arises. Statutory or regulatory requirements govern these information collections. Less frequent collection is inconsistent with the underlying statutes and would not promote a safe and sound banking system.

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

N/A.

8. Efforts to consult with persons outside the agency:

The OCC issued an NPR for 60 days of comment containing this collection.

9. Payment or gift to respondents:

None.

10. Any assurance of confidentiality:

The information collected is kept confidential to the extent permitted by law.

11. Justification for questions of a sensitive nature:

Not applicable. No personally identifiable information is collected.

12. Burden estimate:

| Information Collection | No. of Respondents | No. of Responses | Hours per Response | Estimated Total Burden |
|-------------------------------------------------------------------------------|-----------------------------------------|-------------------------|---------------------------|-------------------------------|
| (a) Background Investigations (Interagency Biographical and Financial Report) | 450 | 450 | 4.50 | 2,025 |
| (c) Public Notice and Comments | burden is included in specific activity | | | |
| (d)(1) Charter | 2 | 2 | 250.00 | 500 |
| (d)(2) Corporate Organization | 73 | 73 | 0.45 | 33 |
| (e) Conversions | 5 | 5 | 4.00 | 20 |
| (f) Federal Branches and Agencies | 5 | 5 | 37.30 | 187 |
| (g) Branches & Relocations; Transfer of A/L | 1,072 | 1,072 | 1.48 | 1,587 |
| (h) Business Combinations and Failure Acquisitions | 151 | 151 | 31.00 | 4,681 |
| (i) Fiduciary Powers | 14 | 14 | 3.10 | 43 |
| | 2 | 2 | 27.00 | 54 |
| (j)(1) Operating Subsidiaries | 136 | 136 | 1.00 | 136 |
| (j)(2) Financial Subsidiaries | 4 | 4 | 1.00 | 4 |
| (j)(3) Bank Service Companies | 1 | 1 | 1.00 | 1 |
| (j)(4) Investments | 9 | 9 | 1.00 | 9 |
| (j)(5) Thrift Service Corporations | 1 | 1 | 0.15 | 0.15 |
| (k) Branch Closings | 983 | 983 | 1.00 | 983 |
| (l) Termination of National Bank or FSA Charter | 65 | 65 | 3.58 | 233 |
| | 43 | 43 | 24.00 | 1,032 |
| (m) Capital & Dividends; Subordinated Debt | 176 | 176 | 2.00 | 352 |
| (n) Change in Control | 10 | 10 | 30.50 | 305 |
| (o) Change in CEO and Director | 1 | 1 | 2.00 | 2 |
| (p) Director Waivers | 25 | 25 | 2.00 | 50 |
| (q) Change of Corporate Title & Address | 233 | 233 | 0.22 | 51 |
| (r) Management Interlocks | 2 | 2 | 7 | 14 |
| (s) Customer Satisfaction Survey | 205 | 205 | 0.30 | 62 |
| (t) Substantial Asset Change | 26 | 26 | 4.50 | 117 |
| Total Estimated Burden | | | | 12,481.15 |

| Information Collection | Wage Category | Total Burden Hours | Burden Hours by Wage Category | Wage Rate | Total Cost of Hour Burden |
|-------------------------------------------------------------------|---------------------------------------------------------------|---------------------------|--------------------------------------|-------------------------------|-----------------------------------------------|
| (a) Background Investigations (Biographical and Financial Report) | 100% sr mgmt | 2,025 | 2,025 | \$80 | \$162,000 |
| (d)(1) Charter | 30% clerical 20% middle mgmt 35% sr mgmt 15% counsel | 500 | 150 100 175 75 | \$20 \$40 \$80 \$100 | \$3,000 \$4,000 \$14,000 \$7,500 |
| (d)(2) Corporate Organization | 80% clerical 20% sr mgmt | 33 | 26 7 | \$20 \$80 | \$520 \$560 |
| (e) Conversions | 30% clerical 20% middle mgmt 35% sr mgmt 15% counsel | 20 | 6 4 7 3 | \$20 \$40 \$80 \$100 | \$120 \$160 \$560 \$300 |
| (f) Federal Branches & Agencies | 40% clerical 40% middle mgmt 20% sr mgmt | 187 | 75 75 37 | \$20 \$40 \$80 | \$1,500 \$3,000 \$2,960 |
| (g) Branches & Relocations | 70% clerical 30% middle mgmt | 1,587 | 1,111 476 | \$20 \$40 | \$22,212 \$19,039 |
| (h) Business Combinations and Failure Acquisitions | 40% clerical 10% middle mgmt 10% sr mgmt 40% counsel | 4,681 | 1,872 468 468 1,872 | \$20 \$40 \$80 \$100 | \$37,448 \$18,724 \$37,448 \$187,240 |
| (i) Fiduciary Activities | 40% clerical 40% middle mgmt 10% sr mgmt | 97 | 39 39 10 | \$20 \$40 \$80 | \$780 \$1,560 \$800 |
| (j)(1) Operating Subsidiaries | 50% clerical 40% middle mgmt 10% sr mgmt | 136 | 67 55 14 | \$20 \$40 \$80 | \$1,340 \$2,220 \$1,120 |
| (j)(2) Financial Subsidiaries | 50% clerical 40% middle mgmt 10% sr mgmt | 4 | 2 1 1 | \$20 \$40 \$80 | \$40 \$40 \$80 |
| (j)(3) Bank Service Companies | 50% clerical 40% middle mgmt 10% sr mgmt | 1 | 0.5 0.4 0.1 | \$20 \$40 \$80 | \$10 \$16 \$8 |
| Information Collection | Wage Category | Total Burden Hours | Burden Hours by Wage | Wage Rate | Total Cost of Hour Burden |

| | | | Category | | |
|-------------------------------------------------|---------------------------------------------------------------|------------------|--------------------------|-------------------------------|---------------------------------------------|
| (j)(4) Investments | 50% clerical 40% middle mgmt 10% sr mgmt | 9 | 4 4 1 | \$20 \$40 \$80 | \$80 \$160 \$80 |
| (j)(5) Thrift Service Corporation | 100% middle mgmt | 0.15 | 0.15 | \$40 | \$6 |
| (k) Branch Closings | 60% clerical 40% middle mgmt | 983 | 590 393 | \$20 \$40 | \$11,800 \$15,720 |
| (l) Termination of National Bank or FSA Charter | 30% clerical 40% middle mgmt 20% sr mgmt 10% counsel | 1,265 | 379 506 253 127 | \$20 \$40 \$80 \$100 | \$7,580 \$20,240 \$20,240 \$12,700 |
| (m) Capital & Dividends; Subordinated Debt | 30% clerical 30% middle mgmt 20% sr mgmt 20% counsel | 352 | 106 106 70 70 | \$20 \$40 \$80 \$100 | \$2,112 \$4,224 \$5,632 \$7,040 |
| (n) Change in Control | 30% clerical 50% sr mgmt 20% counsel | 305 | 91 153 61 | \$20 \$80 \$100 | \$1,830 \$12,200 \$6,100 |
| (o) Change in SEO or Director | 20% clerical 80% sr mgmt | 2 | 0.40 1.60 | \$20 \$80 | \$8 \$128 |
| (p) Director Waivers | 20% clerical 80% sr mgmt | 50 | 10 40 | \$20 \$80 | \$200 \$3,200 |
| (q) Change of Corporate Title & Address | 80% clerical 20% middle mgmt | 51 | 41 10 | \$20 \$40 | \$820 \$400 |
| (r) Management Interlocks | 50% clerical 50% counsel | 14 | 7 7 | \$20 \$100 | \$140 \$700 |
| (s) Customer Satisfaction Survey | 80% clerical 20% middle mgmt | 62 | 50 12 | \$20 \$40 | \$1,000 \$480 |
| (t) Substantial Asset Change | 40% clerical 10% middle mgmt 20% sr mgmt 30% counsel | 117 | 47 12 23 35 | \$20 \$40 \$80 \$100 | \$940 \$480 \$1,840 \$3,500 |
| Total Cost of Hour Burden to Respondents | | 12,481.15 | | | \$671,885 |

13. Estimate of total annual costs to respondents:

Not applicable.

14. Estimate of annualized costs to the federal government:

Not applicable.

15. Changes in burden:

Former Burden: 13,038 Burden Hours.
Current Burden: 12,481.15 Burden Hours.
Difference: -557 Hours.

The decrease in burden is due to the removal and streamlining of requirements.

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

The results of these collections will not be published for statistical use. However, data obtained from these submissions may be published in the OCC's Quarterly Journal; we present only the number of requests received.

17. Display of expiration date:

Not applicable.

18. Exceptions to certification statement:

Not applicable.

B. Collections of Information Employing Statistical Methods:

Not applicable.