

**Supporting Statement for
OMB Control Number 1557-0205
Investment Securities**

A. Justification.

1. Circumstances that make the collection necessary:

Under 12 CFR 1.3(h)(2), a national bank may request an OCC determination that it may invest in an entity that is exempt from registration under section 3(c)(1) of the Investment Company Act of 1940¹ if the portfolio of the entity consists exclusively of assets that a national bank may purchase and sell for its own account.

Under 12 CFR 1.7(b), a national bank may request OCC approval to extend the five-year holding period of securities held in satisfaction of debts previously contracted for up to an additional five years. In its request, the bank must provide a clearly convincing demonstration of why any additional holding period is needed.

2. Use of the information:

The OCC uses the information contained in requests submitted pursuant to 12 CFR 1.3(h)(2) as a basis for determining that the bank's investment is consistent with its investment authority under applicable law and does not pose unacceptable risk.

The OCC uses the information in requests submitted pursuant to 12 CFR 1.7(b) to ensure, on a case-by-case basis, that a bank's purpose in retaining the securities is not speculative, that the bank's reasons for requesting the extension are adequate, and to evaluate the risks to the bank in extending the holding period, including potential effects on bank safety and soundness.

3. Consideration of the use of improved information technology:

The information is unique and non-recurring. Therefore, the use of improved information technology does not appear to reduce burden or cost. However, the OCC would consider a bank's proposal to use any existing technology appropriate for producing or delivering the information.

4. Efforts to identify duplication:

This information collection is unique to the bank and the particular filing. It is not duplicated anywhere.

¹ 15 U.S.C. 80a-3(c)(1).

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 purpose of the rules.

6. Consequences to the Federal program if the collection were collected less frequently:

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

7. Explain any special circumstances necessitating collection inconsistent with 5 CFR part 1320.

Not applicable.

8. Efforts to consult with persons outside the agency:

60-Day Notice

The OCC issued a notice for 60 days of comment regarding this collection.

9. Payment or gift to respondents:

There is no payment to respondents.

10. Any assurance of confidentiality:

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

11. Justification for questions of a sensitive nature:

Not applicable.

12. Burden estimates:

Cite and Burden Type	Information Collection Requirements in 12 CFR Part 1	Number Of Respondents	Number Of Responses Per Respondent	Total Number Of Responses	Average Hours Per Response	Estimated Burden Hours
12 CFR 1.3(h)(2) Reporting	<i>Limitations on dealing in, underwriting, and purchase and sale of securities – Pooled</i>	15	1	15	24	360 hours

Cite and Burden Type	Information Collection Requirements in 12 CFR Part 1	Number Of Respondents	Number Of Responses Per Respondent	Total Number Of Responses	Average Hours Per Response	Estimated Burden Hours
	<i>Investment – Other issuers</i> – A national bank may request an OCC determination that it may invest in an entity that is exempt from registration under section 3(c)(1) of the Investment Company Act of 1940 if the portfolio of the entity consists exclusively of assets that a national bank may purchase and sell for its own account.					
12 CFR 1.7(b)	<i>Securities held in satisfaction of debts previously contracted; holding period; disposal; accounting treatment; non-speculative purpose – Holding period</i> – A national bank may request OCC approval to extend the five-year holding period of securities held in satisfaction of debts previously contracted for up to an additional five years. The bank must provide a clearly convincing demonstration of why any additional holding period is needed.	10	1	10	10	100
Totals		25		25		460

Cost of hour burden:

460 hours x \$115.19 = \$52,987.40

To estimate wages the OCC reviewed May 2019 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 \$115.19 per hour, which is based on the average of the 90th percentile for six occupations adjusted for inflation (3.1 percent as of Q1 2020 according to the BLS), plus an additional 33.4 percent for benefits (based on the percent of total

compensation allocated to benefits as of Q4 2019 for NAICS 522: credit intermediation and related activities).

13. Estimate of total annual costs to respondents (excluding cost of hour burden in item #12):

Not applicable.

14. Estimates of annualized cost to the Federal Government:

Not applicable.

15. Change in burden:

There is no change in burden.

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

Not applicable.

17. Reasons for not displaying OMB approval expiration date:

Not applicable.

18. Exceptions to the certification statement:

None.

B. Collections of Information Employing Statistical Methods.

Not applicable.