

SUPPORTING STATEMENT
REGULATORY CAPITAL RULES: REGULATORY CAPITAL, SUPPLEMENTARY
LEVERAGE RATIO
(OMB No. 3064-0196)

INTRODUCTION

The FDIC is requesting approval from the OMB to extend, without change, a currently approved information collection (OMB Control No. 3064-0196) comprised of disclosure requirements under a regulation issued by the Federal Deposit Insurance Corporation (“FDIC”), jointly with the Office of the Comptroller of the Currency (“OCC”) and the Board of Governors of the Federal Reserve System (“Board”) (collectively, “the agencies”) that implements enhanced supplementary leverage ratio standards for large, interconnected U.S. banking organizations that have at least \$250 billion in total consolidated assets or total on-balance sheet foreign exposures of \$10 billion or more (“covered banks”). The information collection expires on September 30, 2021.

A. JUSTIFICATION

1. Circumstances that make the collection necessary:

The supplementary leverage ratio regulations strengthen the definition of total leverage exposure and improve the measure of a banking organization’s on- and off-balance sheet exposures. The rules are generally consistent with the Basel Committee on Banking Supervision’s 2014 revisions and promote consistency in the calculation of this ratio across jurisdictions.

2. Use of information collected:

All banking organizations that are subject to the FDIC’s advanced approaches risk-based capital rules¹ are required to disclose their supplementary leverage ratios.² Advanced approaches banking organizations must report their supplementary leverage ratios on the applicable regulatory reports. The calculation and disclosure requirements for the supplementary leverage ratio in the federal banking agencies’ regulatory capital rules are generally consistent with international standards published by the Basel Committee on Banking Supervision. These disclosures enhance the transparency and consistency of reporting requirements for the supplementary leverage ratio by all internationally active organizations.

3. Consideration of the use of improved information technology:

Respondents may use any type of improved information technology they have available to meet the requirements of this regulation.

¹ 12 CFR part 374

² 12 CFR 374.10(c), 374.172(d), and 374.173.

4. Efforts to identify duplication:

The required information is unique and is not duplicative of any other information already collected.

5. Methods used to minimize burden if the collection has a significant impact on a substantial number of small entities:

The rule only applies to institutions with \$250 billion in assets or \$10 billion in foreign exposure (or a subsidiary thereof). That is, the rule does not apply to any small businesses or other small entities.

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

Less frequent collection would result in safety and soundness concerns.

7. Special circumstances necessitating collection inconsistent with 5 CFR Part 1320.5(d)(2):

None. The information is collected in a manner consistent with 5 CFR Part 1320.5(d)(2).

8. Efforts to consult with persons outside the agency:

A 60-day notice seeking public comment on the FDIC's renewal of the information collection was published on July 8, 2021 (86 FR 36137). No comments were received.

9. Payment or gift to respondents:

None.

10. Any assurance of confidentiality:

No assurances of confidentiality have been made in the Rule. The information will be kept private to the extent permitted by law.

11. Justification for questions of a sensitive nature:

No questions of a sensitive nature are included in the collections.

12. Estimate of hour burden including annualized hourly costs:

Summary of Estimated Annual Implementation Burdens						
IC Description	Type of Burden (Obligation to Respond)	Frequency of Response	Number of Respondents	Number of Responses / Respondent	Estimated Time per Response (Hours)	Annual Burden (Hours)
Disclosure Requirements Associated with Supplementary Leverage Ratio (12 CFR 324.172 and 173)	Disclosure (Mandatory)	Quarterly	5	4	5	100
Total Annual Burden Hours:						100 hours
Source: FDIC.						

Total estimated annual burden: 100 hours

The total estimated annual cost is:

$$100 \text{ hours} \times \$80.37 = \$8,037$$

Summary of Hourly Burden Cost Estimate			
Estimated Category of Personnel Responsible for Complying with the PRA Burden	Total Estimated Hourly Compensation	Estimated Weights	Estimated Total Weighted Labor Cost Component
Executives and Managers ³	\$123.30	15%	\$18.50
Lawyers ⁴	\$151.44	5%	\$7.57
Compliance Officer ⁵	\$67.35	30%	\$20.21
IT Specialists ⁶	\$92.30	10%	\$9.23
Financial Analysts ⁷	\$79.40	25%	\$19.85
Clerical ⁸	\$33.44	15%	\$5.02
Total Estimated Weighted Average Hourly Compensation Rate		100%	\$80.37
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 (December 2020), Consumer Price Index (December 2020).			

³ Occupation (SOC Code): Management Occupations (110000).

⁴ Occupation (SOC Code): Legal Occupations (230000).

⁵ Occupation (SOC Code): Compliance Officers (131040).

⁶ Occupation (SOC Code): Computer and Mathematical Occupations (150000).

⁷ Occupation (SOC Code): Financial and Investment Analysts, Financial Risk Specialists, and Financial Specialists, All Other (132098).

⁸ Occupation (SOC Code): Office and Administrative Support Occupations (430000).

13. Estimate of start-up cost to respondents:

There are no anticipated capital, start-up, or operating costs.

14. Estimates of annualized cost to the federal government:

None.

15. Analysis of change in burden:

There has been no change in the method or substance of this information collection. The increase of \$4,037 is due to the change in the number of respondents and is attenuated slightly by the decrease in hourly burden cost estimates

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

Collections of information under the interagency statement are not published.

17. Exceptions to expiration date display:

Not applicable.

18. Exceptions to certification:

None.

B. STATISTICAL METHODS

Statistical methods are not employed in this collection.