SUPPORTING STATEMENT
MINIMUM REQUIREMENTS FOR APPRAISAL MANAGEMENT COMPANIES
OMB No. 3064-0195

INTRODUCTION

The Federal Deposit Insurance Corporation requests OMB approval to extend, for three years, with revisions, the above-captioned collection of information. The clearance for the collection expires on October 31, 2021.

The Federal Deposit Insurance Corporation requests OMB approval to extend, for three years, with revisions, a currently approved information collection (OMB Control No. 3064-0195) consisting of recordkeeping and reporting requirements found in a regulation issued by the Federal Deposit Insurance Corporation ("FDIC"), in coordination with the Office of the Comptroller of the Currency ("OCC"), the Board of Governors of the Federal Reserve System ("Board"), the National Credit Union Administration ("NCUA"), the Bureau of Consumer Financial Protection ("Bureau") and the Federal Home Finance Agency ("FHFA") (collectively, "the agencies"). The FDIC rule, found at 12 CFR part 323, implements the minimum requirements in section 1473 of the Dodd-Frank Wall Street Reform and Consumer Protection Act to be applied by States in the registration and supervision of appraisal management companies (AMCs). The regulation also implements the requirement in section 1473 of the Dodd-Frank Act for States to report to the Appraisal Subcommittee of the Federal Financial Institutions Examination Council (FFIEC) the information required by the Appraisal Subcommittee (ASC) to administer the new national registry of appraisal management companies (AMC National Registry or Registry).

A. JUSTIFICATION

A. Justification.

1. Circumstances that make the collection necessary:

The FDIC, OCC, Board, NCUA, Bureau, and FHFA (Agencies) have issued final rules to implement the minimum requirements in section 1473 of the Dodd-Frank Wall Street Reform and Consumer Protection Act to be applied by States in the registration and supervision of appraisal management companies (AMCs). The final rule also implements the requirement in section 1473 of the Dodd-Frank Act for States to report to the Appraisal Subcommittee of the Federal Financial Institutions Examination Council (FFIEC) the information required by the Appraisal Subcommittee (ASC) to administer the new national registry of appraisal management companies (AMC National Registry or Registry).

2. Use of the information:

The information collection requirements are found at 12 CFR Part 323

State Recordkeeping Requirements

States seeking to register AMCs must have an AMC registration and supervision program. Section 323.11(a) requires each participating State to establish and maintain within its appraiser certifying and licensing agency a registration and supervision program with the legal authority and mechanisms to: (i) review and approve or deny an application for initial registration; (ii) periodically review and renew, or deny renewal of, an AMC's registration; (iii) examine an AMC's books and records and require the submission of reports, information, and documents; (iv) verify an AMC's panel members' certifications or licenses; (v) investigate and assess potential violations of laws, regulations, or orders; (vi) discipline, suspend, terminate, or deny registration renewals of, AMCs that violate laws, regulations, or orders; and (vii) report violations of appraisal-related laws, regulations, or orders, and disciplinary and enforcement actions to the ASC.

Section 323.11(b) requires each participating State to impose requirements on AMCs not regulated by a Federal financial institutions regulatory agency nor owned and controlled by an insured depository institution to: (i) register with and be subject to supervision by a State appraiser certifying and licensing agency in each State in which the AMC operates; (ii) use only State-certified or State-licensed appraisers for Federally-regulated transactions in conformity with any Federally-regulated transaction regulations; (iii) establish and comply with processes and controls reasonably designed to ensure that the AMC, in engaging an appraiser, selects an appraiser who is independent of the transaction and who has the requisite education, expertise, and experience necessary to competently complete the appraisal assignment for the particular market and property type; (iv) direct the appraiser to perform the assignment in accordance with USPAP; and (v) establish and comply with processes and controls reasonably designed to ensure that the AMC conducts its appraisal management services in accordance with section 129E(a)-(i) of TILA.

State Reporting Burden

Section 323.14 requires that each State electing to register AMCs for purposes of permitting AMCs to provide appraisal management services relating to covered transactions in the State must submit to the ASC the information required to be submitted under this Subpart and any additional information required by the ASC concerning AMCs**.**

AMC Reporting Requirements

Section 323.13(c) requires that a Federally-regulated AMC must report to the State or States in which it operates the information required to be submitted by the State pursuant to the ASC's policies, including: (i) information regarding the determination of the AMC National Registry fee; and (ii) the information listed in section 323.12.

Section 323.12 provides that an AMC may not be registered by a State or included on the AMC National Registry if such company is owned, directly or indirectly, by any person who has had an appraiser license or certificate refused, denied, cancelled, surrendered in lieu of revocation, or revoked in any State. Each person that owns more than 10 percent of an AMC shall submit to a background investigation carried out by the State appraiser certifying and licensing agency. While section 323.12 does not authorize States to conduct background investigations of

Federally-regulated AMCs, it would allow a State to do so if the Federally-regulated AMC chooses to register voluntarily with the State.

AMC Recordkeeping Requirements

Section 323.10 provides that an appraiser in an AMC's network or panel is deemed to remain on the network or panel until: (i) the AMC sends a written notice to the appraiser removing the appraiser with an explanation; or (ii) receives a written notice from the appraiser asking to be removed or a notice of the death or incapacity of the appraiser. The AMC would retain these notices in its files.

3. Consideration of the use of improved information technology:

Respondents may use any technology they wish.

4. Efforts to identify duplication:

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

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

There are no alternatives that would result in lowering the burden on small institutions, while still accomplishing the purpose of the rule.

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 1320.5(d) (2):

There are no special circumstances. This information collection is conducted in accordance with the guidelines in 5 CFR 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 August 10, 2021 (86 FR 43652). No comments were received.

9. Payment or Gift to Respondents:

No payments or gifts will be provided to respondents.

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:

None of the information required to be disclosed or maintained is of a sensitive nature.

12. Estimate of Hour Burden Including Annualized Hourly Costs:

The ICR was last approved for renewal on October 16, 2018 ("2018 ICR") with a total annual burden estimate of 421 hours, and an estimated annual cost burden of $46,310. The 2018 ICR contained two recordkeeping and two reporting IC requirements. The FDIC has noted that the ASC has issued its own regulations or guidance implementing the requirements from the Act related to the information to be presented to the ASC by the participating states, and has obtained OMB PRA clearance for this reporting requirement.[1] Accordingly, FDIC has removed the associated IC (titled "State Reporting Requirements to Appraisal Subcommittee") for this current ICR.

For each of the remaining information items described below. FDIC's estimation methodology remains unchanged. To arrive at the total estimated annual burden for this ICR, FDIC computes the total estimated burden hours for each item and then assigns a mutually-agreed upon share of the burden hours to each of the regulatory agencies (FDIC, FRB, OCC, and FHFA). FDIC then estimates the annual burden for the FDIC by finding the product of the estimated annual number of respondents, the annual number of responses per respondent (frequency of response), the burden hours per response and the share of the burden attributable to the FDIC. Below are the details of this estimation methodology.

Estimated Number of Respondents

IC #1: Written Notice of Appraiser Removal from Network or Panel

This IC relates to the written notice of appraiser removal from the network or panel pursuant to Section 323.10. The number of respondents is estimated to be equal to the number of appraisers who leave the profession each year multiplied by the estimated percentage of appraisers who work for AMCs. The number of appraisers who leave is calculated by adding the number of appraisers who are laid off or resign to the number of appraisers that have had their licenses revoked or surrendered. This estimation methodology is similar to the methodology used in the 2018 ICR.

The number of appraisers who are laid off or resign each year is estimated by multiplying the annual rate of "Total separations" by the number of appraisers for each year. Using data from the Bureau of Labor Statistics (BLS) for the finance and insurance industry, shown in Table 1 below, the annual rate of "Total separations" in 2020 is 25.1 percent.[2] The rate for 2020 is within the range of annual rates between 2011 and 2020 (20.4 to 26.0 percent, with a median of 24.8

1 *See* OMB No. 3139-0009 and the accompanying Supporting Statement submitted by the ASC in 2021, available at https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202102-3139-001 (accessed June 2, 2021).
2 Bureau of Labor Statistics (BLS), "Job Openings and Labor Turnover Survey: Finance and Insurance" (Series ID: JTU520000000000000TSR), available at https://www.bls.gov/data/ (accessed June 4, 2021).

percent) and is a reasonable estimate for future periods.

Table 1. Annual Rate of Total Separations for the Finance and Insurance Industry in the United States	
Year	**Value (in %)**
2011	20.4
2012	23.6
2013	26.0
2014	25.0
2015	24.5
2016	23.9
2017	25.2
2018	24.2
2019	24.6
2020	25.1
Source: BLS, "Job Openings and Labor Turnover Survey: Finance and Insurance" (Series ID: JTU520000000000000TSR), available at https://www.bls.gov/data/ (accessed June 4, 2021).	

The number of appraisers is estimated by using the number of appraisers in 2020 as a proxy for the level of appraiser employment over the next three years.[3] In 2020, the total number of appraisers was 86,000 and is similar to the annual average of 87,000 appraisers between 2011 and 2020. Table 2 contains data on annual employment level for appraisers in the U.S. between 2011 and 2020:

Table 2. Annual Level of Employment for Appraisers in the United States	
Year	**Value (in thousands)**
2011	88
2012	93
2013	98
2014	95
2015	76
2016	73
2017	97
2018	84
2019	84
2020	86
Source: BLS, "Employed - Appraisers and assessors of real estate" (Series ID: LNU02038218), available at https://beta.bls.gov/dataViewer/view/timeseries/LNU02038218 (accessed June 2, 2021).	

Given the data summarized above, the number of appraisers who are laid off or resign is

3 BLS, "Employed - Appraisers and assessors of real estate" (Series ID: LNU02038218), available at https://beta.bls.gov/dataViewer/view/timeseries/LNU02038218 (accessed June 2, 2021).

estimated by multiplying the annual number of appraisers by the annual separation rate 86,000 x 25.1 percent = 21,586.

As stated above, respondents to this IC also include appraisers who have their license revoked or surrendered each year. According to the ASC, between January 1, 2010 and December 31, 2019, the counts of appraisers who have had their license revoked or surrendered are 804 and 576, respectively.[4] Therefore, the annual average over the ten-year span is 138 licenses revoked or surrendered per year.[5]

The number of appraisal removal notices for AMCs is then calculated by adding the estimate of appraisers who are laid off or resign to the number of appraisers who have their licenses revoked or surrendered, and multiplying by the estimated percent of total appraisers who work for AMCs. According the Appraisal Institute, approximately 81 percent of appraisers are sole proprietors, executives in a firm, or are listed as having other forms of employment status.[6] The remaining 19 percent of appraisers are employees or staff members in firms such as AMCs, appraisal services companies, or other companies. Using 19 percent as the estimate of the percentage of appraisers who work for AMCs, the estimated total number of appraiser removal notices for AMCs is 4,130 notices per year, rounded to the nearest ten.[7] Thus, the estimated number of annual respondents for this information collection is 4,130. The respondents to this IC are either natural persons or AMCs. There are no data available currently on the number of AMCs that are considered "small," for the purposes of the Regulatory Flexibility Act (RFA), and none of the respondents who are natural persons are small for the purposes of the RFA. As a rough approximation, to estimate the number of small respondents to this IC FDIC uses the fraction of insured depository institutions that are small (70 percent) for purposes of the RFA,[8] and assume that all respondents are AMCs. Thus, I estimate that 2,891 respondents to this IC are small for purposes of the RFA.[9] This is likely a conservative estimate of small respondents for this information collection because not all respondents to this IC are AMCs.

The estimated number of notices per year is lower than the 2018 ICR estimate by 5,751 notices.[10] Two factors contributed to the drop in estimated notices: first, the number of appraisers who are

4 Federal Financial Institution Examination Council: Appraisal Subcommittee, "Annual Report 2019: Appendix E Appraiser Disciplinary Actions Reported by State," available at https://www.asc.gov/About-the-ASC/AnnualReports.aspx (accessed June 2, 2021).

5 The average over the ten years is calculated as (1,380, or 804 + 576) divided by 10.

6 Appraisal Institute, "U.S. VALUATION PROFESSION FACT SHEET Q1 2019," available at https://www.appraisalinstitute.org/file.aspx?DocumentId=2342, (accessed June 2, 2021).

7 The estimated total number of appraiser removal notices for AMCs is calculated as (21,586 + 138) X 19 percent, which yields 4,127.56 notices, or 4,130 after rounding to the nearest ten. I round to the nearest ten because 10 percent of the respondents will be allocated to FHFA, and OMB systems require whole number inputs.

8 December 31, 2020, Call Report data. The Small Business Administration (SBA) defines a small banking organization as having $600 million or less in assets, where an organization's "assets are determined by averaging the assets reported on its four quarterly financial statements for the preceding year." *See* 13 CFR 121.201 (as amended by 84 FR 34261, effective August 19, 2019). In its determination, the "SBA counts the receipts, employees, or other measure of size of the concern whose size is at issue and all of its domestic and foreign affiliates." *See* 13 CFR 121.103. Following these regulations, the FDIC uses a covered entity's affiliated and acquired assets, averaged over the preceding four quarters, to determine whether the covered entity is "small" for the purposes of RFA.

9 The estimated number of small respondents to this IC is calculated by multiplying the estimated number of respondents (4,130) by 70 percent.

laid off or resign, and the number that have had their licenses revoked or surrendered (138 and 21,586, respectively) are lower than the estimates in the 2018 ICR (245 and 23,280); second, there is more granular data available to calculate the share of appraisers employed by AMCs, appraisal services companies, or other companies. The most recent data from the Appraisal Institute contains nine separate categories for Appraiser Employment Status, whereas the data available for the 2018 ICR only contains only four categories.[11] Given the level of aggregation available in 2018, the estimate of the share of appraisers in the 2018 ICR likely included appraisers who are employees or staff members in a government or regulatory agency, and individuals with employment statuses such as valuation consultant, professor or other academic professional, semi-retired or retired, or student. Appraisers or individuals with the five employment statuses listed above would not be subject to this IC. Consequently, the share (19 percent) used currently is much lower than the share (42 percent) used in the 2018 ICR.

IC #2: Develop and Maintain a State Licensing Program

The second information collection pertains to developing and maintaining a state licensing program for AMCs pursuant to Section 323.14. Section 323.14 requires that each state electing to register AMCs for purposes of permitting AMCs to provide appraisal management services relating to covered transactions in the state must submit to the ASC the information required to be submitted under this subpart and any additional information required by the ASC concerning AMCs. Thus, this burden falls on the states, especially those that have not developed a system to register and oversee AMCs. According to the ASC there are four states (the territories of Guam, Mariana Islands, Puerto Rico, and the U.S. Virgin Islands) that have not developed a system to register and oversee AMCs.[12] Thus, the estimated number of annual respondents for this burden is four. Since respondents to this IC are states, none of the respondents are considered "small" for purposes of the RFA.

IC #3: AMC Disclosure Requirements (State-regulated AMCs)[13]

The third information collection relates to disclosure requirements for AMCs that are not federally regulated AMCs[14] ("state-regulated AMCs") pursuant to Section 323.12, which involves information sent by AMCs to third parties, including states and the AMC National Registry. The disclosure requirement for this IC includes registration limitations/requirements. According to the National Registry, accessed on June 2, 2021, there are 3,854 active AMCs, of which 3,817 are state-regulated AMCs.[15] FDIC does not have the data to estimate the change in

10 *See* OMB No. 3064-0195 and the accompanying Supporting Statement submitted by the FDIC in 2018, available at https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=201804-3064-013 (accessed June 2, 2021).

11 The most recent data available from the Appraisal Institute includes five new categories (employee or staff member in a government or regulatory agency, valuation consultant, professor or other academic professional, semi-retired or retired, and student), in addition to the four categories that match closely to the data in the 2018 ICR (employee or staff member of a firm, sole proprietor of own business (no employees/partners), executive in a firm, and other).

12 ASC, "States' Status on Implementation of AMC Programs," available at https://www.asc.gov/National-Registries/StatesStatus.aspx (accessed June 2, 2021).

13 Based on conversations between the SMEs at the FDIC, FRB, OCC, and FHFA, the current ICR splits the IC #3 from the 2018 ICR (titled "AMC Reporting Requirements (State and Federal AMCs) (323.12 & 13(c))") in to two separate ICs, one each for state-regulated AMCs, and federally regulated AMCs.

14 Section 323.9 defines a federally regulated AMC as "an AMC that is owned and controlled by an insured depository institution, as defined in 12 U.S.C. 1813 and regulated by [the OCC, FRB, or FDIC]."

15 ASC nonpublic data, obtained as of June 3, 2021.

the number of active state-regulated AMCs using historical information because the National Registry became available for the states to populate in July 2018, and the states' reporting characteristics vary over time.[16] For the purposes of this analysis FDIC assumes the number of state-regulated AMCs to remain approximately the same over the next three years. Thus, the estimated number of annual respondents for this burden is 3,820, after rounding up to the nearest ten.[17] There are no data available currently on the number of AMCs that are small. As a rough approximation, FDIC uses the fraction of insured depository institutions that are small (70 percent) for purposes of the RFA to estimate the number of small respondents to this IC. Thus, FDIC estimates that 2,674 respondents to this IC are small for purposes of the RFA.[18]

IC #4: AMC Disclosure Requirements (Federally regulated AMCs)

The fourth information collection relates to AMC disclosure requirements for federally regulated AMCs pursuant to Section 323.13(c). The disclosure requirements for this IC include registration limitations/requirements as well as information regarding the determination of the AMC National Registry fee. Of the 3,854 active AMCs, 37 are federally regulated AMCs.[19] FDIC does not have the data to estimate the change in the number of active federally regulated AMCs using historical information because the National Registry became available for the states to populate in July 2018, and the states' reporting characteristics vary over time.[20] For the purposes of this analysis FDIC assumes the number of federally regulated AMCs to remain approximately the same over the next three years. Thus, the estimated number of annual respondents for this burden is 39, after rounding up to the nearest multiple of three.[21] There are no data available currently on the number of AMCs that are small. As a rough approximation, FDIC uses the fraction of insured depository institutions that are small (70 percent) for purposes of the RFA to estimate the number of small respondents to this IC. Thus, FDIC estimates that 27 respondents to this IC are small for purposes of the RFA.[22]

Estimated Number of Responses

16 The most recent Annual Report of the ASC notes that as of December 31, 2019, the National Registry contained 1,374 AMCs registered from 14 states. As of June 2, 2021, the date I accessed the ASC's website, there are 40 states currently populating the National Registry. *See* Federal Financial Institution Examination Council: Appraisal Subcommittee, "Annual Report 2019: Appendix E Appraiser Disciplinary Actions Reported by State," available at https://www.asc.gov/About-the-ASC/AnnualReports.aspx (accessed June 2, 2021); and ASC, "States' Status on Implementation of AMC Programs," available at https://www.asc.gov/National-Registries/StatesStatus.aspx (accessed June 2, 2021).

17 I round to the nearest ten because 10 percent of the respondents will be allocated to FHFA, and OMB systems require whole number inputs.

18 The estimated number of small respondents to this IC is calculated by multiplying the estimated number of respondents (3,820) by 70 percent.

19 ASC nonpublic data, obtained as of June 3, 2021.

20 *See* footnote 19.

21 I round to the nearest multiple of three because the estimated respondents will be allocated equally to the FDIC, FRB, and OCC, and OMB systems require whole number inputs. The aggregate estimated number of respondents for IC #3 and IC #4 in the current ICR (state-regulated and federally regulated AMCs) is higher than the corresponding estimate in the 2018 ICR by 3,659. The increase in the number of respondents in the current ICR is attributable to the definitive information available from the National Registry after 2018, when AMC registration requirements became effective.

22 The estimated number of small respondents to this IC is calculated by multiplying the estimated number of respondents (39) by 70 percent.

For IC #1, FDIC assumes an AMC receives one written notice from each appraiser[23] asking to be removed from the appraiser panel, or sends one notice to each appraiser removing him/her from the panel. Thus, the estimated number of responses per respondent is one.

For IC #2, FDIC assumes that states without a registration and licensing program would develop and maintain a single program for each state. Thus, the estimated number of responses per respondent is one.

For IC #3 and IC #4, FDIC estimates the number of responses per respondent as the number of states that do not have an AMC registration program in which the average state-regulated or federally regulated AMC operates. As discussed previously, there are four states that currently do not have an AMC registration program. As noted in the Supporting Statement accompanying the 2018 ICR, a 2013 survey conducted by the CFPB found that the average AMC operates in 19.56 states.[24] Thus, the average state-regulated or federally regulated AMC operates in approximately 2 states that do not have AMC registration systems: (4 states/55 states) x 19.56 states = 1.422 states ~ rounded up to 2 states.

Frequency of Responses

For IC #1, as discussed above, the AMC receives (or sends) a written notice in the event an appraiser no longer serves on the panel. Since this event occurs on occasion, I use "On Occasion" as the Frequency of Reponses for this IC.

For IC #2, FDIC assumes the states that have currently elected not to register and oversee AMCs could choose to do so at any time. Since this event occurs on occasion, FDIC uses "On Occasion" as the Frequency of Reponses for this IC.

For IC #3 and IC #4, FDIC assumes the state-regulated or federally regulated AMCs that are currently operating in a state but have not yet registered with that state could choose to do so any time. Since this event occurs on occasion, FDIC uses "On Occasion" as the Frequency of Reponses for this IC.

Estimated Time per Response

The 2018 ICR estimate of the hour burden per written notice of appraiser removal was 0.08 hours. The FDIC believes this estimate remains reasonable and appropriate for this IC and uses 0.08 hours as the estimated time per response for IC #1.
The 2018 ICR estimate of the hour burden for a state without a registration program or system to establish one was 40 hours. The FDIC believes this estimate remains reasonable and appropriate for this IC and uses 40 hours as the estimated time per response for IC #2.

23 In the event of an appraiser's death or incapacitation, the AMC receives notice of death or incapacity. *See* 12 CFR 323.10.

24 *See* OMB No. 3064-0195 and the accompanying Supporting Statement submitted by the FDIC in 2018, available at https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=201804-3064-013 (accessed June 2, 2021). Additional details on the survey can be found in the text accompanying the final rule. *See* Minimum Requirements for Appraisal Management Companies, 80 Fed. Reg. 32,677 (June 9, 2015).

The 2018 ICR estimate of the hour burden for a state-regulated or federally regulated AMC to register in a state in which it operates was one hour. The FDIC believes this estimate remains reasonable and appropriate for IC #3 and IC #4 and uses one hour each as the estimated time per response for IC #3 and IC #4.

The estimated annual burden, in hours, for the four agencies (FDIC, FRB, OCC, and FHFA) is the product of the estimated number of respondents per year allocated to each agency, the number of responses per respondent per year, and the hours per response, as summarized in Tables 3 and 4 below. For IC #1, and IC #3, the estimated respondents are split between the four agencies the FDIC, FRB, OCC, and FHFA, at a ratio of 3:3:3:1.[25.] Thus, the estimated number of annual respondents attributable to the FDIC, FRB, and OCC for IC #1, and IC #3 are 1,239, and 1,146 each, respectively. Similarly the estimated number of annual respondents attributable to the FHFA for IC #1, and IC #3 are 413, and 382, respectively. For IC #2, the estimated number of respondents is split equally amongst the four agencies which amounts to one respondent each.[26] For IC #4, the estimated number of respondents (39) is split equally amongst the three banking agencies (13 each) as Section 323.9 defines a federally regulated AMC as an AMC owned and controlled by an insured depository institution, which is regulated by the FDIC, FRB, or OCC. The total estimated annual burden for this information collection is 8,208 hours.[27] The FDIC, FRB, and OCC will each have equally-sized shares of the total estimated burden, with each agency responsible for 2,457 hours. The FHFA is responsible for the remaining 837 hours.

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25 The assumption to divide the burden hours between the agencies is based on an agreement among the FDIC, FRB, OCC, and FHFA and is based on the approximate proportion of AMCs supervised by the three banking agencies and evenly split among the three banking agencies. The burden hours are shared using the same ratio as the 2018 ICR. The ratio does not affect the total amount of burden imposed by the collections of information under the joint AMC regulations, and relates only to the appropriate distribution among the rulemaking agencies of responsibility (under the PRA) for a portion of the total estimated burden. *See* OMB No. 2590-0013 and the accompanying Supporting Statement submitted by the FHFA in 2018, available at https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=201807-2590-002 (accessed June 16, 2021).

26 For IC #2, the assumption to divide the burden hours equally between the agencies is based on an agreement among the FDIC, FRB, OCC, and FHFA. The burden hours are shared using the same ratio as the 2018 ICR.

27 The estimated total annual burden hours of 8,208 is obtained by aggregating the estimated total annual burden hours for the FDIC, FRB, and OCC in Table 3 (7,371, or 2,457 X 3) with the corresponding value for the FHFA in Table 4 (837).

The estimated hour burden in the current ICR (8,208) is higher than the 2018 ICR estimate by 6,763 hours. The increase is predominantly driven by the increase in the aggregate estimated number of respondents to IC #3 and IC #4. As discussed previously, the estimated number of respondents in higher than the estimate in the 2018 ICR due to the definitive information available from the National Registry after 2018.

Table 3. Summary of Estimated Annual Burdens - FDIC, FRB, and OCC Share (OMB No. 3064-0195)						
IC Description	Type of Burden (Obligation to Respond)	Frequency of Response	Number of Respondents	Number of Responses per Respondent	Hours per Response	Annual Burden (Hours)
IC #1 - Written Notice of Appraiser Removal From Network or Panel (12 CFR part 323.10)	Disclosure[28] (Mandatory)	On occasion	1,239	1	0.08	99
IC #2 - State Recordkeeping Requirements (12 CFR parts 323.11(a) and 323.11(b))	Recordkeeping (Mandatory)	On occasion	1	1	40	40
IC #3 - AMC Disclosure Requirements (State-regulated AMCs) (12 CFR part 323.12)	Disclosure[29] (Mandatory)	On occasion	1,146	2	1	2,292
IC #4 - AMC Disclosure Requirements (Federally regulated AMCs) (12 CFR parts 323.12 and 323.13(c))	Disclosure (Mandatory)	On occasion	13	2	1	26
Total Annual Burden Hours (FDIC, FRB, and OCC Share):						2,457
Source: FDIC.						

Table 4. Summary of Estimated Annual Burdens - FHFA Share[30] (OMB No. 3064-0195)						
IC Description	Type of Burden (Obligation to Respond)	Frequency of Response	Number of Respondents	Number of Responses per Respondent	Hours per Response	Annual Burden (Hours)
IC #1 - Written Notice of Appraiser Removal From	Disclosure[31] (Mandatory)	On occasion	413	1	0.08	33

28 The 2018 ICR erroneously classified IC #1 as a Recordkeeping requirement. Based on discussions with the FDIC SMEs and Legal staff, the burden for this IC has been changed to a Disclosure requirement.

29 The 2018 ICR erroneously classified IC #3 as a Reporting requirement. Based on discussions with the FDIC SMEs and Legal staff, the burden for this IC has been changed to a Disclosure requirement.

30 As described previously, for IC #4, the estimated total number of respondents (39) is split equally amongst the three banking agencies (13 each) as Section 323.9 defines a federally regulated AMC as an AMC owned and controlled by an insured depository institution, which is regulated by the FDIC, FRB, or OCC.

31 The 2018 ICR erroneously classified IC #1 as a Recordkeeping requirement. Based on discussions with the FDIC SMEs and Legal staff, the burden for this IC has been changed to a Disclosure requirement.

Network or Panel (12 CFR part 323.10)						
IC #2 - State Recordkeeping Requirements (12 CFR parts 323.11(a) and 323.11(b))	Recordkeeping (Mandatory)	On occasion	1	1	40	40
IC #3 - AMC Disclosure Requirements (State-regulated AMCs) (12 CFR part 323.12)	Disclosure[32] (Mandatory)	On occasion	382	2	1	764
Total Annual Burden Hours (FHFA Share):						837
Source: FDIC.						

Total Labor Cost of Estimated Annual Burden

To estimate the weighted average hourly compensation cost of these employees, FDIC uses the 75th percentile hourly wages reported by the Bureau of Labor Statistics (BLS) National Industry-Specific Occupational Employment and Wage Estimates for the relevant occupations in the Depository Credit Intermediation sector, as of March 2021.

The hourly wage rates reported do not include non-monetary compensation. According to the June 2020 Employer Cost of Employee Compensation data, compensation rates for health and other benefits are 33.3 percent of total compensation. To account for non-monetary compensation, FDIC adjusts the hourly wage rates reported by BLS by that percentage. FDIC also adjusts the hourly wage by 3.31 percent based on changes in the Consumer Price Index for Urban Consumers (CPI-U) from May 2020 to March 2021 to account for inflation and ensure that the wage information is contemporaneous with the non-monetary compensation statistic.

After calculating these adjustments, FDIC then weights the total hourly compensation for the five occupations (Executives and Managers, Lawyers, Compliance Officers, IT Specialists, and Clerical) using the estimated allocation of labor reflected in the tables below to find the estimated hourly cost of complying with the two types of burden associated with this information collection; disclosure and recordkeeping. The estimated hourly compensation rates for Disclosure Burdens and for Recordkeeping Burdens are reflected in the following tables:

Table 5: Summary of Hourly Burden Cost Estimate (OMB No. 3064-0195)			
Estimated Category of Personnel Responsible for Complying with the PRA	**Total Estimated Hourly Compensation**	**Estimated Weights**	**Weighted Hourly Compensation**

32 The 2018 ICR erroneously classified IC #3 as a Reporting requirement. Based on discussions with the FDIC SMEs and Legal staff, the burden for this IC has been changed to a Disclosure requirement.

Burden			
IC #1 (Written Notice of Appraiser Removal From Network or Panel), IC #3 (AMC Disclosure Requirements (State-Regulated AMCs)), and IC #4 (AMC Disclosure Requirements (Federally Regulated AMCs))			
Financial Analysts[33]	$79.40	50%	$39.70
Clerical[34]	$33.44	50%	$16.72
Weighted Average		100%	$56.42[35]
IC #2 (State Recordkeeping Requirements)			
Executives and Managers[36]	$123.30	5%	$6.17
Lawyers[37]	$151.44	5%	$7.57
Compliance Officer[38]	$67.35	5%	$3.37
IT Specialist[39]	$92.30	50%	$46.15
Financial Analysts	$79.40	25%	$19.85
Clerical	$33.44	10%	$3.34
Weighted Average		100%	$86.45[40]

Source: Bureau of Labor Statistics: "National Industry-Specific Occupational Employment and Wage Estimates: Industry: Credit Intermediation and Related Activities (5221 And 5223 only)" (May 2020), Employer Cost of Employee Compensation (March 2021), Consumer Price Index (March 2021).

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 2021 Employer Cost of Employee Compensation data compensation rates for health and other benefits are 33.3 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 3.31 percent between May 2020 and March 2021.

Total Estimated Labor Cost Burden

33 Occupation (SOC Code): Financial and Investment Analysts, Financial Risk Specialists, and Financial Specialists, All Other (132098).
34 Occupation (SOC Code): Office and Administrative Support Occupations (430000).
35 Total may not appear to sum precisely due to rounding.
36 Occupation (SOC Code): Management Occupations (110000).
37 Occupation (SOC Code): Legal Occupations (230000).
38 Occupation (SOC Code): Compliance Officers (131040).
39 Occupation (SOC Code): Computer and Mathematical Occupations (150000).
40 Total may not appear to sum precisely due to rounding.

Using the estimated hour burden for FDIC, and the wage estimates, the total cost burden for the FDIC for the ICR (OMB No. 3064-0195) is **$139,825.14** per year.[41] The estimated cost burden is higher than the 2018 ICR by $93,515.14. As discussed previously, the increase is driven mainly by the increase in the aggregate number of estimated respondents for IC #3 and IC #4.

13. Estimate of start-up cost to respondents:

There are no capital or start-up costs associated with this collection. In addition, there are no system and technology acquisition or operation and maintenance costs.

14. Estimates of annualized cost to the federal government:

None.

15. Analysis of change in burden:

The estimated hour burden in the current ICR (8,208) is higher than the 2018 ICR estimate by 6,763 hours. The increase is predominantly driven by the increase in the aggregate estimated number of respondents to IC #3 and IC #4. As discussed in Section 12 above, the estimated number of respondents in higher than the estimate in the 2018 ICR due to the definitive information available from the National Registry after 2018.

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

The information collected will not be published by the FDIC.

17. Exceptions to expiration date display

Not applicable.

18. Exceptions to certification:

There are no exceptions to certification.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.

41 The total burden for the FDIC is calculated by adding the cost for IC #1, IC#3, and IC#4, $136,367.14 [(99 hours + 2,292 hours + 26 hours) X $56.42] to the cost for IC #2, $3458.00 (40 hours X $86.45).