

SUPPORTING STATEMENT
INNOVATION PILOT PROGRAMS
(OMB Control No. 3064-0212)

INTRODUCTION

The Federal Deposit Insurance Corporation (FDIC) is requesting approval from the Office of Management and Budget (OMB) to amend the information collection titled, “Innovation Pilot Programs.” The FDIC seeks to continue its engagement and collaboration with innovators in the financial, non-financial, and technology sectors to, among other things, identify, develop and promote technology-driven innovations among community and other banks in a manner that ensures the safety and soundness of FDIC-supervised and -insured institutions. An innovation pilot program framework can provide a regulatory environment in which the FDIC, in conjunction with individual proposals collected from innovators, including banks, will provide tailored regulatory and supervisory assistance, when appropriate, to facilitate the testing of innovative and advanced technologies, products, services, systems, or activities. As part of an innovation pilot program, innovators may request information from banks and other members of the public outside of their normal course of business. Any information provided by banks and other members of the public will be provided on a voluntary basis. FDIC staff may similarly request information on a voluntary basis from banks or other members of the public to evaluate the products or services developed in the pilot programs.

A. JUSTIFICATION

1. Circumstances and Need

The FDIC seeks to engage and collaborate with innovators in the financial, non-financial, and technology sectors to, among other things, identify, develop and promote technology-driven innovations among community and other banks in a manner that ensures the safety and soundness of FDIC-supervised and -insured institutions.

The FDIC anticipates that products developed as part of innovation pilot programs will improve the efficiency and effectiveness of bank operations, and eventually, examinations, while increasing transparency and ultimately reducing the cost of regulatory compliance for participating institutions. In addition, the FDIC anticipates that proposals provided in connection with the innovation pilot programs will involve cutting-edge innovations and novel approaches or applications involving a banking product, service, system, or activity that benefits and can lead to better outcomes for consumers.

As part of an innovation pilot program, innovators may request information from banks and other members of the public outside of their normal course of business. Any information provided by banks and other members of the public will be provided on a voluntary basis. FDIC staff may similarly request information on a voluntary basis from banks or other members of the public to evaluate the products or services developed in

the pilot programs. This information is intended to allow banks and the FDIC to analyze the health of the overall banking system, critical financial sectors, or national, regional or local economic conditions (i.e., horizontal analysis). Additionally, bank specific information may be collected in order to allow for better insights into current and escalating risks across all aspects of banking. In particular, innovators may request from banks and other members of the public general ledger information about all products and services, or a subset of products and services, systems or activities, and will not contain any personally identifiable information (PII) as defined in [OMB Circular A-130](#) and includes the disclosure of any financial records or information which is identified with or identifiable as being derived from the financial records of a particular customer.

2. Use of Information Collected

An innovation pilot program framework will provide a regulatory environment in which the FDIC, in conjunction with individual proposals collected from innovators, will provide tailored regulatory and supervisory assistance, when appropriate, to facilitate the testing of innovative and advanced technologies, products, services, systems, or activities.

3. Use of Technology to Reduce Burden

Appropriate technology is used to minimize burden whenever possible.

4. Efforts to Identify Duplication

Every effort will be made to avoid duplication.

5. Minimizing the Burden on Small Entities

Small businesses or other small entities may be involved in these efforts but the FDIC will take efforts to minimize the burden on them. Additionally, all collections will be voluntary.

6. Consequence of Less Frequent Collections

The frequency of collection is held to the absolute minimum.

7. Special Circumstances

None.

8. Consultation with Persons Outside the FDIC

The FDIC published a 60-day notice in the *Federal Register* on September 22, 2021 (86 FR 52679) and September 28, 2021 (86 FR 53657) seeking comments on this proposed information collection. One comment was received but did not suggest that any changes be made to the information collection.

9. Payment or Gift to Respondents

None.

10. Confidentiality

Any information deemed to be of a confidential nature would be exempt from public disclosure in accordance with the provisions of the Freedom of Information Act (5 U.S.C. 552).

11. Information of a Sensitive Nature

No questions of a sensitive nature are included in this collection.

12. Estimate of Annual Burden

Summary of Annual Burden and Internal Cost						
Information Collection Description	Type of Burden	Obligation to Respond	Estimated Number of Respondents	Estimated Frequency of Responses	Estimated Time per Response	Estimated Annual Burden
Innovation Pilot Programs – Burden on Banks and Other Members of the Public	Reporting	Voluntary	400	On Occasion	100	40,000 hours
Total Estimated Annual Burden						40,000 hours

Total estimated annual burden: 40,000 hours

The total estimated annual cost for all respondents is:

40,000 hours x \$113.15 = \$4,526,000.

Table 2: Summary of Hourly Burden Cost Estimate (OMB No. 3064-0212)			
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*	\$131.09	20%	\$26.22
Lawyers**	\$156.79	20%	\$31.36
Compliance Officer***	\$69.38	0%	\$0.00
IT Specialists†	\$96.71	40%	\$38.68
Financial Analysts††	\$84.43	20%	\$16.89
Clerical‡	\$35.62	0%	\$0.00
Total Estimated Weighted Average Hourly Compensation Rate:		100%	\$113.15

Source: Bureau of Labor Statistics: "National Industry-Specific Occupational Employment and Wage Estimates: Industry: Credit Intermediation and Related Activities (5221 And 5223 only)" (May 2020), Employer Cost of Employee Compensation (June 2021), Consumer Price Index (June 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 June 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 5.97 percent between May 2020 and June 2021.

* Occupation (SOC Code): Management Occupations (110000)

** Occupation (SOC Code): Legal Occupations (230000)

*** Occupation (SOC Code): Compliance Officers(131040)

† Occupation (SOC Code): Computer and Mathematical Occupations (150000)

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

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

13. Capital, Start-up, Operating and Maintenance Costs

None.

14. Estimates of Annualized Cost to the Federal Government

None.

15. Reason for Change in Burden

The annual burden for this information collection is estimated to be 40,000 hours. This represents an increase of hours from the current burden estimate and a change in focus. In particular, when this information collection was first obtained, it included the burden imposed on the innovators and partner banks. In review of this information collection, the FDIC has decided to transfer the burden imposed on innovators to existing information collection 3064-0072 entitled, "Acquisition Services Information Requirements," which is related to the FDIC's procurement process. The remaining hours in this information collection, which have been updated and increased, reflect the burden imposed on banks and other members of the public in connection with innovation pilot programs.

16. Publication

General information about the FDIC's pilot programming, including lessons learned, may be published, but not particular details about any specific program piloted.

17. Display of Expiration Date

Not applicable.

18. Exceptions to Certification

None.

B. STATISTICAL METHODS

Not applicable.