

SUPPORTING STATEMENT
ACTIVITIES AND INVESTMENTS OF INSURED STATE BANKS
(OMB Control No. 3064-0111)

INTRODUCTION

The Federal Deposit Insurance Corporation (FDIC) is requesting a three-year renewal of the information collection for its collection (3064-0111) associated with activities and investments of insured state banks. The current clearance for the collection expires on March 31, 2022. There is no change in the method or substance of the collection.

A. JUSTIFICATION

1. Circumstances that make the collection necessary:

Section 24 of the Federal Deposit Insurance (FDI Act), 12 U.S.C. 1831a, limits investments and other activities in which state banks may engage, as principal, to those permissible for national banks and those approved by the FDIC under procedures set forth in part 362 of the FDIC's Rules and Regulations, 12 CFR part 362. With certain exceptions, section 24 of the FDI Act limits the activities and investments of state banks to those activities and investments that are permissible for national banks. In addition, the statute prohibits a state bank from directly engaging, as a principal, in any activity or investment that is not permissible for a national bank, or indirectly through a subsidiary in an activity or investment that is not permissible for a subsidiary of a national bank, unless such bank meets its minimum capital requirements and the FDIC determines that the activity or investment does not pose a significant risk to the Deposit Insurance Fund (DIF). The FDIC can make such a determination for exception by regulation or by order. Section 28(a), 12 USC 1831e, similarly limits the investments and activities of state savings associations and their service corporations to those permitted by federal savings associations and their service corporations, absent FDIC approval. Part 362 details the activities that state banks or their subsidiaries may engage in, under certain criteria and conditions and identifies the information that state banks must furnish to the FDIC in order to obtain the FDIC's approval or non-objection. Part 362 also applies to the activities and investments of state savings associations and their subsidiaries.

2. Use of information collected:

The information in an application or notice is used by the FDIC as part of the process of determining the risk to the DIF. For example, the FDIC uses the information to determine whether current or contemplated activities pose a level of risk that is not appropriate for a particular state bank or state savings association or its subsidiaries

3. Consideration of the use of improved information technology:

Applicants may use technology to the extent appropriate and feasible to prepare applications or notices.

4. Efforts to identify duplication:

The information required by this collection is not available elsewhere.

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

All state banks and state savings associations, regardless of size, must submit the same data, if applicable, relative to an application or notice. The application and notice requirements have been designed to impose the minimum burden consistent with the FDIC's statutory mandates.

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

The frequency is consistent with the statutory mandate and less frequent collection would result in non-compliance with the law. There is no collection absent the filing of an application or a notice.

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 December 6, 2021 (86 FR 69033). No comments were received.

9. Payment or gift to respondents:

Not applicable.

10. Any assurance of 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. Justification for questions of a sensitive nature:

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

12. Estimate of hour burden including annualized hourly costs:

Summary of Estimated Annual Burden (OMB No. 3064-0111)						
Information collection description	Type of burden (obligation to respond)	Frequency of response	Number of respondents	Number of responses per respondent	Hours per response	Annual burden (hours)
Application or Notice to engage in certain activities ¹	Reporting (Required)	On occasion	29	1.1	8	256
Total Annual Burden (Hours)						256
Source: FDIC.						

Total estimated annual burden hours: 256

Total estimated annual cost: 256 hours x \$151.65 = \$38,822.40

Summary of Hourly Burden Cost Estimate (OMB No. 3064-0111)			
Estimated category of personnel responsible for complying with the PRA	Total estimated hourly compensation	Estimated weights	Estimated total weighted labor cost component
Executives and managers*	\$131.09	20%	\$26.22
Lawyers**	\$156.79	80%	\$125.43
Total Estimated Weighted Average Hourly Compensation Rate		100%	\$151.65

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)

13. Estimate of start-up cost to respondents:

¹ There is no official form used to submit an application or notice. Institutions write a letter with supporting documentation to FDIC to file a response.

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 is no change in the method or substance of the collection. The overall increase in burden hours (from 184 hours to 256 hours) is the result of economic fluctuation. In particular, the number of respondents has increased while the hours per response and frequency of responses have remained the same.

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

The information contained in this collection is not published.

17. Exceptions to expiration date display:

This information collection is contained in a regulation.

18. Exceptions to certification:

None.

B. STATISTICAL METHODS

Statistical methods are not employed in this collection.