

SUPPORTING STATEMENT  
NOTICES REQUIRED OF GOVERNMENT SECURITIES DEALERS  
OR BROKERS (INSURED STATE NONMEMBER BANKS)  
(OMB Control No. 3064-0093)

INTRODUCTION

The FDIC is requesting OMB approval to extend, without change, a currently approved information collection (OMB Control No. 3064-0093). The FDIC wished to continue the information collection requirements contained in the Government Securities Act of 1986 (the Act). The current collection expires on April 30, 2022. The Act requires all financial institutions that function as government securities brokers and government securities dealers to notify their designated federal regulatory agencies of their broker-dealer activities, unless exempted from the notice requirement by Treasury Department regulation (17 CFR 401).

A. JUSTIFICATION

1. Circumstances that make the collection necessary:

The Government Securities Act of 1986 (Pub.L. 99-571) established a federal system of regulation of brokers and dealers, including banks and other financial institutions, who deal in or broker government securities. Under the Act, the Secretary of the Treasury is directed to adopt regulations concerning the financial responsibility of government securities brokers and dealers, protection of customer securities and balances, and recordkeeping and reports of government securities brokers and dealers.

Under the Government Securities Act of 1986, all financial institutions that function as government securities brokers or government securities dealers must notify their designated federal supervisory agencies of their broker/dealer activities, unless exempted from the notice of Treasury Department regulation. The Board of Governors of the Federal Reserve System has the responsibility for establishing the form for this notice, as well as the form of the notice to be filed by financial institutions that are no longer acting as government securities brokers or government securities dealers. The Board adopted Form G-FIN (notification by financial institution of status as government securities broker or dealer) and Form G-FINW (notification by financial institutions of termination of status as government securities broker or dealer). These forms were reviewed and approved by OMB under the Paperwork Reduction Act and assigned OMB control number 7100-0224.

The Department of the Treasury was responsible for establishing Form G-FIN-4 (notification by persons associated with financial institutions that are government securities brokers and dealers) and Form G-FIN-5 (notification of termination of association with a financial institution that is a government securities broker or

dealer). These forms were reviewed and approved by OMB under the Paperwork Reduction Act and assigned OMB control number 1505-0100.

2. Use of information collected:

The federal financial regulators have coordinated the review and revision of the forms associated with this information collection so that all agencies use the same forms even though each agency has its own OMB control number to cover their respective information collections.

The Form G-FIN and Form G-FINW are used by insured State nonmember banks that are government securities brokers or dealers to notify the FDIC of their status or that they have ceased to function as a government securities broker or dealer.

The Form G-FIN-4 is used by associated persons of insured State nonmember banks that are government securities brokers or dealers to provide certain information to the bank and to the FDIC concerning employment, residence, and statutory disqualification.

The Form G-FIN-5 is used by insured State nonmember banks that are government securities brokers or dealers to notify the FDIC that an associated person is no longer associated with the government securities broker or dealer function of the bank.

3. Consideration of the use of improved information technology:

Institutions are free to use whatever methods are the least burdensome to them for sending the necessary information to the FDIC.

4. Efforts to identify duplication:

The information collected does not duplicate information available from other government agencies. Each federal bank regulatory agency (Fed, OCC, and FDIC) uses the same forms to collect the information from the banks they regulate. It is up to the bank or associated persons to provide the required notices or personal histories to their primary regulator.

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

The information required is the minimum necessary for compliance with the Act. All banks, regardless of size, are required to use identical forms. However, small banks, as a group, will be less burdened with submitting the forms because they are less likely to be government securities brokers or dealers.

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

The collection of information is required only on occasion. If the information was not collected FDIC would not be able to fulfill its supervisory mandate under the Act.

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:

Item 17 on Form G-FIN-4 asks questions of a sensitive nature. These questions deal with an applicant's possible conviction of any felony or misdemeanor within the past 10 years or other acts of misconduct. These questions are necessary to determine the applicant's fitness to be associated with the government securities broker or dealer function of a bank where proper and ethical practices are vital to the protection of the investor. Otherwise, the information collection does not request information of a sensitive nature.

12. Estimate of hour burden including annualized hourly costs:

<b>Summary of Estimated Annual Burden (OMB No. 3064-0093)</b>						
<b>Information Collection Description</b>	<b>Type of Burden (Obligation to Respond)</b>	<b>Frequency of Response</b>	<b>Number of Respondents</b>	<b>Number of Responses per Respondent</b>	<b>Hours per Response</b>	<b>Annual Burden (Hours)</b>
Notice by Financial Institutions of Government Securities Broker or Government Securities Dealer Activities (G-FIN)	Reporting (Mandatory)	On Occasion	1	1	1	1
Notice by Financial Institutions of Termination of Activities as a Government Securities Broker or Government Securities Dealer (G-FINW)	Reporting (Mandatory)	On Occasion	1	1	2	2
Disclosure Form for Person Associated with a Financial Institution Securities Broker or Dealer (G-FIN-4)	Reporting (Mandatory)	On Occasion	1	5	2	10
Uniform Termination Notice for Persons Associated with a Financial Institution Government Securities Broker or Dealer (G-FIN-5)	Reporting (Mandatory)	On Occasion	1	5	0.25	1.25
Total Annual Burden (Hours)						14.25
Source: FDIC.						

Total estimated annual burden hours: 14.25

Total estimated annual cost: 14.25 hours x \$54.72 = \$779.76

<b>Occupation and Hourly Compensation Associated with Notices Required of Government Securities Dealers or Brokers ICR (OMB No. 3064-0093)</b>			
<b>Estimated Category of Personnel Responsible for Complying with the PRA Burden</b>	<b>Total Estimated Hourly Compensation</b>	<b>Estimated Weights</b>	<b>Estimated Total Weighted Labor Cost Component</b>
Executives and Managers*	\$131.09	20%	\$26.22
Lawyers**	\$156.79	0%	\$0.00
Compliance Officer***	\$69.38	0%	\$0.00
IT Specialists†	\$96.71	0%	\$0.00
Financial Analysts††	\$84.43	0%	\$0.00
Clerical‡	\$35.62	80%	\$28.50
Total Estimated Weighted Average Hourly Compensation Rate:		100%	\$54.72

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. 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 is no change in the method or substance of the collection. The overall one hour increase in estimated annual burden (from 13.25 hours to 14.25 hours) is due to an increase in the FDIC's estimate of the frequency of response for Forms G-FIN 4 and G-FIN 5 (from 1 to 5) and a decrease in the estimated number of respondents for Form G-FIN 5 from 5 respondents to one respondent.

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:

Not applicable.

18. Exceptions to certification:

None.

B. STATISTICAL METHODS

Statistical methods are not employed in this collection.