

**SUPPORTING STATEMENT
MUTUAL-TO-STOCK CONVERSIONS OF STATE SAVINGS BANKS
(3064-0117)**

INTRODUCTION

The FDIC is requesting OMB approval to extend, without change, a currently approved information collection (OMB Control No. 3064-0117). The FDIC is the primary federal regulator of insured state chartered savings banks that are not members of the Federal Reserve System (“State Savings Banks”). In cases where a state savings bank proposes to convert from mutual to stock form of ownership, the FDIC’s regulations at 12 CFR §303.161 and §333.4 require the state savings bank to file with the FDIC a notice of intent to convert to stock form and provide copies of documents filed with state and federal banking and/ or securities regulators in connection with the proposed conversion. The information collection expires on March 31, 2022.

A. JUSTIFICATION

1. Circumstances that make the collection necessary:

State savings associations must file a notice of intent to convert to stock form, and provide the FDIC with copies of documents filed with state and federal banking and/or securities regulators in connection with any proposed mutual-to-stock conversion. The information collection consists of the reporting requirement to provide copies of all applications and other materials filed by a state-chartered mutual savings bank with its applicable federal and state banking and securities regulators in connection with a proposed conversion to the stock form of ownership.

2. Use of the information:

The information will be used to enable the FDIC to identify and address issues involved in the proposed conversion relating to the safety and soundness of the bank, any abusive management practices and potential violations of applicable law to determine whether to object to the proposed conversion.

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; however, there are a number of constraints relating to secure transmission, the volume of transmitted materials, and the diverse nature of related regulatory filings that may make this option impractical.

4. Efforts to identify duplication:

The bulk of the information collection pursuant to 303.161 requires the Respondent to provide the FDIC copies of materials the bank already has prepared for other federal and

state regulators, rather than requiring banks to furnish separate materials specifically prepared for the FDIC. Similar information is not available from any other single source.

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 the FDIC to determine whether it should object to the proposed conversion.

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

The collection of information is required only when state savings banks voluntarily choose to convert form of ownership. If the information was not collected FDIC would not be able to fulfill its supervisory mandate.

7. Special circumstances necessitating collection inconsistent with 5 CFR Part 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:

On January 25, 2022, FDIC published a Federal Register notice seeking public comment for a 60-day period (87 FR 3806). No comments were received.

9. Payments or gifts to respondents:

None.

10. Any assurance of confidentiality:

Confidential information will be kept private to the extent allowed by law.

11. Justification for questions of a sensitive nature:

The information collection does not request information of a sensitive nature.

12. Estimate of hour burden including annualized hourly costs:

Table 1: Summary of Annual Burden (OMB 3064-0117)							
	Type of Burden	Obligation to Respond	Estimated Number of Respondents	Estimated Frequency of Responses	Estimated Time per Response	Frequency of Response	Total Annual Estimated Burden
Mutual-to-Stock Conversion of State Savings Bank	Reporting	Mandatory	5	1	250 hours	On Occasion	1,250
TOTAL HOURLY BURDEN							1,250 hours

Total Estimated Hourly Labor Compensation Rates

To estimate the average cost of compensation per hour, 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 May 2020. The reported hourly wage rates do not include non-monetary compensation. According to the June 2021 Employer Cost of Employee Compensation data from BLS, compensation rates for health and other benefits make up 33.3 percent of total compensation. To account for non-monetary compensation, FDIC divides the hourly wage rates reported by BLS by (1 – 0.333). Next, FDIC adjusts the hourly wage by 5.97 percent based on changes in the Consumer Price Index for Urban Consumers (CPI-U) from May 2020 to June 2021 to account for inflation, and so that the wage rate is contemporaneous with the non-monetary compensation share data.

After calculating these adjustments, FDIC weights the total hourly compensation for the occupations shown in Table 3 using FDIC’s estimated allocation of labor to find the estimated hourly cost of complying with this IC. The FDIC estimates that 68 percent of the labor is performed by Lawyers, 20 percent is performed by Executives and Managers, 8 percent is performed by Compliance Officers, and the remaining 4 percent is performed by Office and Administrative Support Occupations. These weights are identical to those used in the 2019 ICR’s estimated division of labor.

Table 2. Summary of Hourly Burden Cost Estimate (OMB No. 3064-0117)			
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
Compliance Officers**	\$69.38	8%	\$5.55
Lawyers***	\$156.79	68%	\$106.62
Office and Administrative Support	\$35.62	4%	\$1.42

Occupations****			
Weighted Average Wage		100%	\$139.81

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).

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

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

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

**** Office and Administrative Support Occupations (430000)

Total Estimated Compliance Cost

FDIC estimates the total annual cost burden for OMB No. 3064-0117 by multiplying the total annual estimated burden hours for this IC reported in Table 1 by the weighted average hourly compensation estimate reported in Table 2. The total annual cost burden for this IC is estimated as: 1,250 hours / year * \$139.81 / hour = **\$174,762.50** per year.

13. Estimate of start-up costs to respondents:

None.

14. Estimate of annualized costs to the government:

None.

15. Analysis of change in burden:

There is no change in the method or substance of the collection. There is no change in the estimated annual burden.

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

The results of this collection will not be published for statistical use.

17. Display of expiration date

Not applicable.

B. STATISTICAL METHODS

Not Applicable

