Supporting Statement

OMB Number 1530-0017

FS Forms 5902 and 5903: “Collateral Security Resolution” and “Collateral Pledge and Security Agreement”

1. **Justifications.**

**Summary of Changes for renewal in 2022:**

Q8: Current Federal Register citation was added.

Q11: Reference to the new SORN for Fiscal Service was added.

Q12: The estimated Annual Respondent Cost was omitted from previous Supporting Statements.

**1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.**

Financial institutions seeking designation as a Depositary, and the authority to maintain an account, are required to file these forms. Federal Reserve Banks (FRBs) and the Department of the Treasury use the information to evaluate the application and make the designation. Financial institutions may apply until accepted. Once accepted, financial institutions need not apply again, unless terminated from the program.

As part of the application process for being designated a Depositary of the government, financial institutions are required to complete FS Forms 5902 and 5903. The information is required to establish authority and responsibility for actions taken under the program, including the posting of collateral. Federal Deposit Insurance Corporation (FDIC) statutes require certain information to preserve the Treasury’s interest in the collateral in the event that the FDIC is appointed the receiver or conservator. See 12 U.S.C. § 1823(e).

The collection of information specifically is authorized by 31 CFR § 202.3(b)(2)(i) and generally authorized by 12 U.S.C. §§ 265, 266, 1464(k), 1725 and 1789(a), 31 U.S.C. § 1038.

**2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection**.

According to 12 U.S.C. § 1823(e), a written agreement executed by the financial institution is required to preserve the Treasury’s interest in the collateral pledged in the event that the FDIC is appointed the receiver or conservator.

Financial institutions whose applications are accepted need only apply once. Agreements are kept on file for the duration plus six years of the financial institution’s participation in the program. There is no similar information already collected or available.

**3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.**

The agreement forms are available from the Bureau of the Fiscal Service and on the Internet as a fill-in PDF form.

**4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.**

This information in not collected by any other agency or any other form.

**5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize burden.**

The collections will not have a significant impact on a substantial number of small entities.

**6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.**

The agreement forms are necessary to designate the financial institutions as depositaries under 31 CFR Part 202. Further, if the forms were not completed, Treasury would be unable to regulate the financial institutions’ actions under 31 CFR Part 202 and to preserve Treasury’s interest in collateral pledged by the financial institutions. Information is collected once for each financial institution accepted into the program, and therefore cannot be collected less frequently.

**7. Explain any special circumstances that would cause an information collection to be conducted in a manner: \*requiring respondents to report information to the agency more often than quarterly; \*requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it; requiring respondents to submit more than an original and two copies of any document; etc.**

This collection requires financial institutions to maintain certain records for more than three years. (see 5 CFR 123.5(d)(2)(iv)). The forms and the minutes of a financial institution’s meeting are to be maintained continuously as official records of the institution. Such records are required by the terms of 12 U.S.C. 1823(e)(1): this FDIC statute requires written information to preserve the Treasury’s interest in the collateral in the event that the FDIC is appointed the receiver or conservator. Forms 5902 and 5903 are agreements establishing a depositary relationship and pledging of collateral. To ensure the preservation of the collateral, the records must be maintained for the duration of their relationship, which could be more than three years.

**8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency’s notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.**

The Bureau’s notice was published in the Federal Register on March 3, 2022, Volume 87, Page 12215. One comment was received with suggestions that were shared with the program office.

**9. Explain any decision to provide any payment or gift to respondents, other than reenumeration of contractors or grantees.**

There are no payments or gifts made to respondents.

**10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.**

Aside from protections contained in the Privacy Act, there is no guarantee of confidentiality.

**11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.**

There are no questions of a sensitive nature in the agreement.

Applicable System of Records Notices:

January 14, 2015: System of Records Name Treasury .015 - General Information Technology Access Account Records System of Records, and

February 27, 2020: Department of the Treasury, Bureau of the Fiscal Service .013—Collections Records.

The privacy impact assessment (PIA) conducted for this collection of information can be found at

https://fiscal.treasury.gov/files/pia/TCMM-pia.pdf

**12. Provide estimates of the hour burden of the collection of information. The statement should: \*indicate the number of respondents, frequency of response, annual hour burden; and an explanation of how the burden was estimated.**

Number of respondents: 15 per year

Frequency of reports: once per financial institution

* + 1. Estimate of Burden Hours.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Form** | **Number of Respondents** | **Responses per Respondent** | **Annual Responses** | **Time per Response** | **Total Burden Hours** |
| FS Form 5902 | 15 | 1 | 1 | 0.25 | 3.75 |
| FS Form 5903 | 15 | 1 | 1 | 0.25 | 3.75 |
| Total: | 15 | 2 | 2 | 0.50 | 7.5 |

* + 1. Estimate of Annual Respondent Cost.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Form | No. of Respondents | Number of Responses per Respondent | Average Burden per Response (in hours) | Total Annual Burden (in hours) | Average Hourly Wage Rate[[1]](#footnote-1) | Total Annual Respondent Cost |
| 5902 and 5903 | 15 | 2 | 30 minutes (0.5 hours) | 7.5 | $71.32 | $534.90 |
| Total Respondent Cost: | $534.90 |

**13. Provide an estimate for the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).**

There are no capital/start-up or ongoing operation/maintenance costs associated with this information collection. The only cost the respondent may incur would be the cost of postage to mail in the form.

**14. Provide estimates of annualized costs to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies may also aggregate cost estimates from Items 12, 13, and 14 in a single table.**

Government cost: The two forms each will require approximately five minutes of review by a FRB employee, at an estimated $17 per hour labor cost. Annual cost for the space required for storing the completed forms is minimal. It is estimated that 15 new depositaries will seek authorization annually. Annual cost to the Government is estimated to be $43 for both forms.

**15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.**

No changes or adjustments are reported

**16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.**

Results of the information are not planned for publication.

**17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.**

The public interest will be better served by not displaying an expiration date on Form FS Form 5902 and 5903. The time period during which the current edition of the form will continue to be usable cannot be predicted. It could easily span several cycles of review and OMB clearance renewal. Displaying the expiration date would make it necessary to update the electronic form and website where it is accessed after each renewal. Additionally, not displaying the expiration date on the form will avoid confusion among members of the public who may have identical forms with different expiration dates in their possession. By not displaying the expiration date, supplies of the form could continue to be used regardless of when the OMB approval has expired. This would reduce costs incurred through additional printing and desktop publishing.

**18. Explain each exception to the certification statement identified in Item 19, “Certification for Paperwork Reduction Act Submissions,” of OMB Form 83-I.**

There are no exceptions to the certification statement.

**B. Collections of Information Employing Statistical Methods**

**The agency should be prepared to justify its decision not to use statistical methods in any case where such methods might reduce burden or improve accuracy of results. When Item 17 on the Form OMB 83-I is checked, “Yes,” the following documentation should be included in the Supporting Statement to the extend that it applies to the methods proposed:**

Not applicable. Collection of information does not employ statistical methods.

1. It is expected that respondents to this collection could be in the field from the Financial Operations occupation. The average wage rate for a Financial and Investment Analyst is $ $49.53 according to the May 2021 National Occupational Employment and Wage Estimates. <https://www.bls.gov/oes/current/oes_nat.htm> A benefit multiplier of 1.44 is used to calculate a fully-loaded wage rate of $49.53\*1.44=$71.32

Using the BLS Employer Costs for Employee Compensation – March 2020 report <https://www.bls.gov/news.release/pdf/ecec.pdf>, a benefit multiplier of 1.44 was calculated by taking the private industry worker 50th (median) wage percentile total compensation rate divided by the wages and salaries rate. $26/$18.05=1.44 [↑](#footnote-ref-1)