

**Supporting Statement  
Community and Economic Development Entities,  
Community Development Projects, and  
Other Public Welfare Investments – 12 CFR 24  
OMB Control No. 1557-0194**

**A. Justification.**

**1. Circumstances that make the collection necessary:**

Twelve U.S.C. 24 (Eleventh) authorizes national banks to make investments, directly or indirectly, each of which promotes the public welfare by benefiting primarily low- and moderate-income communities or families (such as by providing housing, services, or jobs). The statute requires the OCC to limit a national bank's aggregate investment in these projects to 15 percent of the bank's unimpaired capital and surplus. The statute is implemented by 12 CFR 24 ("part 24").

This information collection is needed to ensure national bank compliance with the revised statute regarding the amount and nature of these investments. Further, the information collection is needed to ensure bank safety and soundness, identify risks to the Federal Deposit Insurance System, and generally manage the OCC's process for permitting national bank investment in community development entities, community development projects, and other public welfare investments.

**2. Use of the information:**

The OCC uses the information to determine whether the investment meets the statutory and regulatory requirements, is consistent with safe and sound business practices, such as by not exposing the bank to unlimited liability, and does not pose significant risk to the Federal Deposit Insurance Fund.

**3. Consideration of the use of improved information technology:**

A national bank may use Form CD-1, National Bank Community Development (Part 24) Investments, contained as an appendix to part 24, to satisfy the information collection. The CD-1 form provides national banks with guidance on the information needed by the OCC. A fillable version of the form is available on the OCC Web site at ([www.occ.treas.gov/cdd/pt24toppage.htm](http://www.occ.treas.gov/cdd/pt24toppage.htm)) for downloading.

A national bank may electronically submit its part 24 filing by using the CD-1 form in the Central Application Tracking System (CATS), which is available on the OCC's National BankNet ([www.banknet.gov](http://www.banknet.gov)), a secure limited-access website for banks regulated by the OCC. In FY 2021, most of the national banks submitting their part 24 filings using CATS. CATS auto-fills certain fields relating to bank contact information, which is a time-saving feature for banks.

The CD-1 form may also be e-mailed to [CommunityAffairs@OCC.treas.gov](mailto:CommunityAffairs@OCC.treas.gov); faxed to (202) 649-5709; or mailed to Community Affairs, MS 9E-12, Office of the Comptroller of the Currency, 400 7<sup>th</sup> Street SW., Washington, DC 20219.

**4. *Efforts to identify duplication:***

The required information is not duplicative and is unique to each public welfare investment and bank.

**5. *If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.***

This information collection imposes only the minimum burden necessary to ensure compliance with federal law, accomplish program goals, ensure national bank safety and soundness, and minimize risk to the Federal Deposit Insurance Fund.

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

The information collection is the minimum necessary to ensure bank compliance with the law and safety and soundness requirements and to manage the OCC's process for permitting national bank public welfare investments. These submissions are prepared only when a bank intends to make an investment in a community development entity or community development project or other public welfare activity.

**7. *Special circumstances that would cause an information collection to be conducted in a manner inconsistent with 5 CFR Part 1320:***

The information collection is conducted in accordance with the requirements of 5 CFR Part 1320.

**8. *Efforts to consult with persons outside the agency:***

The OCC issued a 60-day *Federal Register* notice on April 21, 2022, 87 FR 23914.

**9. *Payment or gift to respondents:***

None.

**10. *Any assurance of confidentiality:***

None.

**11. *Justification for questions of a sensitive nature:***

There are no questions of a sensitive nature.

**12. Burden estimate:**

Cite and Burden Type	Information Collection Requirements in Part 24	No. of Respondents	Hours per Response	Estimated Burden Hours
§24.4(a) Reporting	<p><u>Written request to exceed 5% investment limit</u> – A national bank may submit a written request to the OCC to exceed the 5 percent limit for aggregate outstanding investments. The bank is not required to tie the request to a specific investment proposal. The OCC may grant permission to the bank to make subsequent public welfare investments without prior notification to, or approval by the OCC, using the after-the-fact notification process consistent with Section 24.5(a).</p>	10	30 minutes	5
§24.5(a)(2), (a)(4) Reporting	<p><u>After-the-fact notice of public welfare investments</u> – An eligible bank may make an investment without prior notification to, or approval by, the OCC if the bank submits an after-the-fact notification of an investment within 10 days after it makes the investment. The after-the-fact notice must include:</p> <ul style="list-style-type: none"> <li>• A description of the bank’s investment</li> <li>• The amount of the investment</li> <li>• The percentage of the bank’s capital and surplus represented by the bank’s aggregate outstanding public welfare investments, including the investment that is the subject of the notice</li> <li>• A statement certifying compliance with the requirements of §§ 24.3 and 24.4</li> <li>• This requirement may be satisfied by completing Form CD-1</li> </ul>	935	90 minutes	1402.50
§24.5(a)(5) Reporting	<p><u>Letter from 3-rated banks requesting to self-certify</u> – A national bank that is not an eligible bank, but that is at least adequately capitalized and has a composite rating of at least 3 with improving trends under the Uniform Financial Institutions Rating System, may submit a letter to the OCC requesting authority to submit after-the-fact notices of its investments.</p>	5	30 minutes	2.5
§24.5(b)(1) Reporting	<p><u>Investments requiring prior approval</u> – If a national bank does not meet the requirements for after-the-fact notification, including if the bank’s aggregate outstanding investments exceed the five percent limit, unless previously approved by the OCC for subsequent public welfare investments, the bank must submit an investment proposal to the OCC. The investment proposal must include:</p> <ul style="list-style-type: none"> <li>• A description of the bank’s investment</li> <li>• The amount of the investment</li> <li>• The percentage of the bank’s capital and surplus represented by the bank’s aggregate outstanding public welfare investments, including the proposed investment</li> </ul>	250	120 minutes	500

Cite and Burden Type	Information Collection Requirements in Part 24	No. of Respondents	Hours per Response	Estimated Burden Hours
	<ul style="list-style-type: none"> <li>A statement certifying compliance with the requirements of §§ 24.3 and 24.4.</li> <li>This requirement may be satisfied by completing Form CD-1</li> </ul>			
<b>TOTAL</b>		<b>1,200 Respondents</b>		<b>1,910 Hours</b>

**Cost of Hour Burden**

**1,910 hours x \$119.63 = \$228,493.30**

To estimate wages the OCC reviewed May 2021 data for wages (by industry and occupation) from the U.S. Bureau of Labor Statistics (BLS) for credit intermediation and related activities (NAICS 5220A1). To estimate compensation costs associated with the rule, the OCC uses \$119.63 per hour, which is based on the average of the 90th percentile for six occupations adjusted for inflation (6.1 percent as of Q1 2022), plus an additional 32.8 percent for benefits (based on the percent of total compensation allocated to benefits as of Q4 2021 for NAICS 522: credit intermediation and related activities).

**13. Estimate of total annual costs to respondents (excluding cost of hour burden in Item #12):**

None.

**14. Estimate of annualized costs to the Federal Government:**

None.

**15. Change in burden:**

Current burden: 1,632.52 burden hours

Revised burden: 1,910 burden hours

Difference: + 277.48 burden hours

The increase in burden is due to the increase in the number of respondents.

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

The OCC has no plans to publish the information for statistical purposes.

**17. Reasons for not displaying OMB approval expiration date:**

Not applicable.

**18. Exceptions to the certification statement in Item 19 of OMB Form 83-I:**

None.

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

Not applicable.