

**Supporting Statement for the
Notice of Proposed Declaration of Dividend
(FR 1583; OMB No. 7100-0339)**

Summary

The Board of Governors of the Federal Reserve System (Board), under authority delegated by the Office of Management and Budget (OMB), has extended for three years, without revision, the Notice of Proposed Declaration of Dividend (FR 1583; OMB No. 7100-0339). The FR 1583 is used to collect information on the proposed declaration of any dividend by a subsidiary savings association of a savings and loan holding company (SLHC).

The estimated total annual burden for the FR 1583 is 90 hours. The form and instructions are available on the Board's public website at <https://www.federalreserve.gov/apps/reportingforms>.

Background and Justification

Section 10(f) of the Home Owners' Loan Act (HOLA) (12 U.S.C. § 1467a(f)) requires a subsidiary savings association of an SLHC to provide prior notice to the Federal Reserve before declaring a dividend. Section 238.103 of the Board's Regulation LL - Savings and Loan Holding Companies (12 CFR 238.103) further specifies that every savings association that is a subsidiary of an SLHC is required to file a notice with the appropriate Reserve Bank at least 30 days before the proposed declaration of a dividend by its board of directors. This requirement allows the Board an opportunity to determine whether to disapprove a notice, taking into account whether the proposed dividend raises safety or soundness concerns; would result in the savings association being undercapitalized; or would be inconsistent with any statute, regulation, enforcement action, or regulatory agreement, formal or informal.

This information is not available from other sources. Section 10(f) of HOLA provides that any dividend by a savings association subsidiary of an SLHC that is declared without providing this prior notice to the Board is invalid and confers no rights or benefits upon the holder of any such stock.

Description of Information Collection

A savings association subsidiary of an SLHC must provide prior notice of the proposed declaration of a dividend by filing form FR 1583, whether electronically or by hard copy, with the appropriate Reserve Bank. The FR 1583 requires information regarding the date of the filing and the nature and amount of the proposed dividend, as well as the names and signatures of the executive officer and secretary of the savings association that is providing the notice. The FR 1583 notice may include a schedule proposing dividends over a period specified by the notificant, not to exceed 12 months.

Respondent Panel

The FR 1583 panel comprises any savings association that is a subsidiary of an SLHC, including an SLHC that is a mutual holding company.

Time Schedule for Information Collection

This information collection is event-generated. Any savings association that is a subsidiary of an SLHC must file a notice with the appropriate Reserve Bank at least 30 days before a proposed declaration of a dividend by its board of directors.

Public Availability of Data

The submitted FR 1583 forms are generally available to the public upon request. A savings association may request confidential treatment of any portion of the FR 1583, as detailed in the Legal Status section below.

Legal Status

The FR 1583 is authorized by section 10(f) of the HOLA (12 U.S.C. § 1467a(f)). Section 10(f) of HOLA provides that every subsidiary savings association of an SLHC shall give the Board at least 30 days' advance notice of the proposed declaration by its directors of any dividend on its guaranty, permanent, or other nonwithdrawable stock. Additionally, section 10(b) of HOLA authorizes the Board to require SLHCs to file "such reports as may be required by the Board" (12 U.S.C. § 1467a(b)). The FR 1583 is mandatory.

Individual respondents may request confidential treatment for information submitted on the FR 1583 in accordance with the Board's Rules Regarding Availability of Information,¹ and such requests will be reviewed on a case-by-case basis. Information submitted on the FR 1583 may be related to the SLHC's business operations, such as terms and sources of the funding for dividends and pro forma balance sheets. To the extent that this information constitutes nonpublic commercial or financial information, which is both customarily and actually treated as private by the respondent, it may be kept confidential under exemption 4 of the Freedom of Information Act (5 U.S.C. § 552(b)(4)).

Consultation Outside the Agency

There has been no consultation outside the Federal Reserve system.

Public Comments

On January 28, 2022, the Board published an initial notice in the *Federal Register* (87 FR 4595) requesting public comment for 60 days on the extension, without revision, of the FR 1583. The comment period for this notice expired on March 29, 2022. The Board did not receive any comments. The Board adopted the extension, without revision, of the FR 1583 as originally

¹ 12 CFR 261.17.

proposed. On May 24, 2022, the Board published a final notice in the *Federal Register* (87 FR 31557).

Estimate of Respondent Burden

As shown in the table below, the estimated total annual burden for the FR 1583 is 90 hours. The estimated number of respondents and annual frequency is based on the average number of FR 1583 forms received annually, and the number of respondents, for calendar years 2018 through 2020. These reporting requirements represent less than 1 percent of the Board’s total paperwork burden.

FR 1583	<i>Estimated number of respondents²</i>	<i>Annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
Current	180	2	0.25	90

The estimated total annual cost to the public for the FR 1583 is \$5,441.³

Sensitive Questions

This collection of information contains no questions of a sensitive nature, as defined by OMB guidelines.

Estimate of Cost to the Federal Reserve System

The estimated cost to the Federal Reserve System for collecting and processing this report is negligible.

² Of these respondents, 130 are considered small entities as defined by the Small Business Administration (i.e., entities with less than \$750 million in total assets), <https://www.sba.gov/document/support-table-size-standards>. There are no special accommodations given to mitigate the burden on small institutions.

³ Total cost to the public was estimated using the following formula: percent of staff time, multiplied by annual burden hours, multiplied by hourly rates (30% Office & Administrative Support at \$21, 45% Financial Managers at \$74, 15% Lawyers at \$71, and 10% Chief Executives at \$102). Hourly rates for each occupational group are the (rounded) mean hourly wages from the Bureau of Labor Statistics (BLS), *Occupational Employment and Wages, May 2021*, published March 31, 2022, <https://www.bls.gov/news.release/ocwage.t01.htm>. Occupations are defined using the BLS Standard Occupational Classification System, <https://www.bls.gov/soc/>.