

SUPPORTING STATEMENT
INTERAGENCY BANK MERGER ACT APPLICATION
(OMB No. 3064-0015)

INTRODUCTION

The FDIC is requesting OMB approval to extend, without change, the information collection entitled “Interagency Bank Merger Act Application” (OMB Control No. 3064-0015). The current clearance for this collection expires on July 31, 2024.

A. JUSTIFICATION

1. Circumstances that make the collection necessary:

Section 18(c) of the Federal Deposit Insurance Act (12 USC 1828(c)) requires an insured depository institution that wishes to merge or consolidate with any other insured depository institution or, either directly or indirectly, acquire the assets of, or assume liability to pay any deposits made in, any other insured depository institution, to apply for the prior written approval of the responsible agency (FDIC, OCC, FRB). The responsible agency is required by the Act to request reports on the competitive factors involved from the Attorney General and the other two banking agencies. The FDIC is the responsible agency if the acquiring, assuming, or resulting bank is to be a State nonmember insured bank (except a District bank) or a State savings association.

According to the Act, in reviewing an application, the responsible agency is required to consider the following factors:

- (a) Competitive Factors - the responsible agency cannot approve any proposed merger transaction whose effect in any section of the country may be substantially to lessen competition, or to tend to create a monopoly, or which in any other manner would be in restraint of trade, unless it finds that the anticompetitive effects of the proposed transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served.
- (b) Banking Factors - an evaluation of the financial and managerial resources and future prospects of the existing and proposed institutions.

Community Factors - the consideration of the convenience and needs of the community to be served, including compliance with the Community Reinvestment Act.

2. Use of the information:

The information collected is used by the FDIC as a basis for evaluating the statutory factors mentioned in item 1 above. Copies of the completed application submitted by an FDIC-supervised bank are forwarded by the FDIC to the Comptroller of the Currency, the Federal Reserve Board and the Attorney General, together with a request for their opinion on the competitive aspects of the application, as required by 12 USC 1828(c)).

3. Consideration of the use of improved information technology:

Although the FDIC continues to review conversion of hard copy collections to electronic collections, this collection continues to require submission of hard copies of the interagency bank merger applications.

4. Efforts to Identify Duplication

The information collected is unique to the transaction that the applicant bank is proposing. Therefore the information does not exist at any location other than at the source, which is the applicant bank.

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

The collection requirement is the same for all banks, regardless of size. The burden in preparing the application form is considered to be minimal. The information collected is only that necessary to evaluate the transaction, giving consideration to the statutory factors of 12 USC 1828(c).

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

The statute requires the banking agencies to evaluate a covered merger transaction before it can legally take place. The information is collected only on the occasion of a covered merger and less frequent collection is not possible without violating statutory requirements.

7. Special circumstances necessitating collection inconsistent with 5 CFR Part 1320.5(d)(2):

The applicant bank is required to prepare more than an original and two copies of the application because copies of merger transactions must be reviewed by each of the three banking agencies, FDIC, OCC, FRB and the Attorney General. Some state banking departments also require a copy of the application pertaining to their banks.

8. Efforts to consult with persons outside the agency:

A notice seeking public comment for a 60-day period was published in the *Federal Register* on November 2, 2023 (88 FR 75283). No comments were received.

9. Payment or gifts to respondents:

None.

10. Any assurance of confidentiality:

The information reported is kept private to the extent allowed by law. Any information deemed to be of a confidential nature is 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:

No information of a sensitive nature is required

12. Estimate of hour burden including annualized hourly costs:

Summary of Estimated Annual Burdens (OMB No. 3064-0015)						
IC Description	Type of Burden (Obligation to Respond)	Frequency of Response	Number of Respondents	Number of Responses / Respondent	Hours per Response	Annual Burden (Hours)
Interagency Bank Merger Act Application – Affiliated	Reporting (Mandatory)	On occasion	103	1	19	1,957
Interagency Bank Merger Act Application – Nonaffiliated	Reporting (Mandatory)	On occasion	117	1	31	3,627
Total Annual Burden Hours:						5,584
Source: FDIC.						

Total estimated annual burden: 5,584 hours

The total estimated annual cost for affiliated mergers is:

$$1,957 \text{ hours} \times \$113.42 = \$221,963$$

The total estimated annual cost for unaffiliated mergers is:

$$3,627 \text{ hours} \times \$109.67 = \$397,773$$

The combined total burden cost is:

$$\$221,963 + \$397,773 = \$619,736$$

Estimated Category of Personnel Responsible for Complying with the PRA Burden	Total Estimated Hourly Compensation	Estimated Weights (Affiliated)	Weighted Hourly Compensation (Affiliated)	Estimated Weights (Nonaffiliated)	Weighted Hourly Compensation (Nonaffiliated)
Executives and Managers ¹	\$123.30	40%	\$49.32	30%	\$36.99
Lawyers ²	\$151.44	30%	\$45.43	30%	\$45.43
Compliance Officers ³	\$67.35	10%	\$6.73	10%	\$6.73
IT Specialists ⁴	\$92.30	5%	\$4.61	10%	\$9.23
Financial Analysts ⁵	\$79.40	5%	\$3.97	10%	\$7.94
Clerical ⁶	\$33.44	10%	\$3.34	10%	\$3.34
Weighted Average			\$113.42		\$109.67

Source: Bureau of Labor Statistics: "National Industry-Specific Occupational Employment and Wage Estimates: Industry: Credit Intermediation and Related Activities (5221 And 5223 only)" (May 2019), Employer Cost of Employee Compensation (December 2020), Consumer Price Index (December 2020).

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 December 2020 Employer Cost of Employee Compensation data compensation rates for health and other benefits are 34 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 1.71 percent between May 2019 and December 2020.

13. Estimate of start-up cost 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. The 62-hour decrease in burden hours is the result of updated data available.

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

No publication is made of this collection of information.

1 Occupation (SOC Code): Management Occupations (110000).

2 Occupation (SOC Code): Legal Occupations (230000).

3 Occupation (SOC Code): Compliance Officers (131040).

4 Occupation (SOC Code): Computer and Mathematical Occupations (150000).

5 Occupation (SOC Code): Financial and Investment Analysts, Financial Risk Specialists, and Financial Specialists, All Other (132098).

6 Occupation (SOC Code): Office and Administrative Support Occupations (430000).

17. Exceptions to Display of Expiration Date

None. The OMB expiration date is displayed on the Interagency Bank Merger Act Application form.

18. Exceptions to Certification

None.

B. STATISTICAL METHODS

Not applicable.