

Supporting Statement for the Reporting, Recordkeeping, and Disclosure Requirements Associated with Regulation WW (FR WW; OMB No. 7100-0367)

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, with revision, the Reporting, Recordkeeping, and Disclosure Requirements Associated with Regulation WW (FR WW; OMB No. 7100-0367).¹ The Board, Federal Deposit Insurance Corporation (FDIC), and Office of the Comptroller of the Currency (OCC) (collectively, the agencies) implemented a liquidity coverage ratio (LCR) requirement and a net stable funding ratio (NSFR) requirement, consistent with the international liquidity standards published by the Basel Committee on Banking Supervision (BCBS), for large and internationally active banking organizations.² For the Board, these standards are implemented through Regulation WW – Liquidity Risk Measurement, Standards, and Monitoring (12 CFR Part 249). The NSFR and LCR requirements in Regulation WW apply to certain large state member banks, covered depository institution holding companies,³ and U.S. intermediate holding companies of foreign banking organizations, as well as covered nonbank companies (together, covered companies).⁴ The reporting, recordkeeping, and disclosure requirements contained in FR WW are used to monitor covered companies’ compliance with the LCR and NSFR.

The Board revised the FR WW to account for three recordkeeping requirements in Regulation WW, contained in section 249.4(a) and section 249.22(a)(1) and (a)(4), which had not been previously cleared by the Board under the Paperwork Reduction Act (PRA).

The current estimated total annual burden for the FR WW is 2,929 hours and decreased to 2,483 hours. The adopted revisions resulted in a decrease of 446 hours.

Background and Justification

¹ There is no formal reporting form for this collection of information (the FR WW designation is for internal purposes only).

² The standards published by the BCBS are not legally binding on participating member countries or their regulated banking organizations unless and until such standards are adopted into a member country’s law or regulation.

³ Covered depository institution holding companies include top-tier bank holding companies and savings and loan holding companies, with certain exceptions. *See* 12 CFR 249.3 (defining “covered depository institution holding company”).

⁴ A covered nonbank company means a company that the Financial Stability Oversight Council has determined under section 113 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) (12 U.S.C. § 5323) shall be supervised by the Board of Governors of the Federal Reserve System and for which such determination is still in effect and for which the Board has required by separate rule or order to comply with the requirements of Regulation WW. 12 CFR 249.3. Generally, a company (except a covered nonbank company) is subject to Regulation WW only if it has \$100 billion or more in total consolidated assets, subject to certain caveats applying to Category IV firms, or is a state member bank subsidiary of a company of a qualifying size and/or has assets of its own above a certain threshold. Under section 249.1(b)(iii), the Board may also apply Regulation WW to other Board-regulated institutions in certain cases. For more detail regarding the scope of Regulation WW, *see* 12 CFR 249.1(b).

The 2007-2008 financial crisis demonstrated significant weaknesses in the liquidity positions of banking organizations, many of which experienced difficulty meeting their obligations due to a breakdown of the funding markets. Banking organizations' failure to adequately address these challenges was in part due to lapses in basic liquidity risk management practices. In order to strengthen liquidity and promote a more resilient financial sector in implementing countries by improving the banking sector's ability to absorb shocks arising from financial and economic stress, the BCBS endorsed certain international standards for liquidity risk management and the agencies implemented these standards in the United States in the form of the LCR and NSFR requirements.

Under the LCR, each institution is required to hold high-quality liquid assets (HQLA) such as central bank reserves and certain government and corporate debt that can be converted easily and quickly into cash in an amount equal to or greater than its projected cash outflows minus its projected cash inflows during a 30-day stress period, as calculated under the rule. The NSFR establishes a quantitative metric to measure the stability of the funding profile of certain large banking organizations and requires these banking organizations to maintain minimum amounts of stable funding to support their assets, commitments, and derivatives exposures over a one-year time horizon. The LCR focuses on short-term liquidity risks and benefits the financial system as a whole by improving the ability of covered companies to absorb potential market and liquidity shocks in a severe stress scenario over a short term. The NSFR is designed to reduce the likelihood that disruptions to a banking organization's regular sources of funding will compromise its liquidity position, promote effective liquidity risk management, and support the ability of banking organizations to provide financial intermediation to businesses and households across a range of market conditions.

The Board's LCR and NSFR regulations are set forth in Regulation WW. The reporting, recordkeeping, and disclosure requirements in Regulation WW that make up FR WW are used to monitor covered companies' compliance with the LCR and NSFR. This information is not available from other sources.

Description of Information Collection

The reporting, recordkeeping, and disclosure requirements in Regulation WW are found in sections 249.4, 249.22, 249.40, 249.90, 249.91, 249.109,⁵ 249.110, 249.130, and 249.131.

Reporting Requirements

LCR Reporting Requirements

Section 249.40(a) requires a covered company to notify the Board on any business day when its LCR is calculated to be less than the minimum requirement set by section 249.10. Section 249.40(b) requires that if an institution is required to calculate its LCR on the last

⁵ The previous version of this Supporting Statement erroneously referred to 12 CFR 249.108(b), when it should have referenced 12 CFR 249.109(b). This error has been corrected in this updated version. The substance of the requirements described is unchanged.

business day of each calendar month and its LCR is below the minimum requirement in section 249.10 on the last business day of a calendar month or if the Board has determined that the institution is otherwise materially noncompliant, then the institution must promptly consult with the Board to determine whether the institution must provide to the Board a liquidity plan for achieving compliance. In addition, section 249.40(b) requires that if an institution is required to calculate its LCR every business day and its LCR is below the minimum requirement in section 249.1 for three consecutive business days or if the Board has determined that the institution is otherwise materially noncompliant, the institution must promptly provide a liquidity plan to the Board. The liquidity plan must include, as applicable, (1) an assessment of the institution's liquidity position; (2) the actions the institution has taken and will take to achieve full compliance, including a plan for adjusting the institution's risk profile, risk management, and funding sources in order to achieve full compliance and a plan for remediating any operational or management issues that contributed to noncompliance; (3) an estimated timeframe for achieving full compliance; and (4) a commitment to provide a progress report to the Board at least weekly until full compliance is achieved.

NSFR Reporting Requirements

Section 249.110 requires a covered company to take certain actions following any NSFR shortfall. Section 249.110(a) requires a covered company to notify the Board of the shortfall no later than 10 business days (or such other period as the Board may otherwise require by written notice) following the date that any event has occurred that would cause or has caused the covered company's NSFR to be less than 1.0. Section 249.110(b) requires a covered company to submit to the Board, within 10 business days of certain triggering events (or such other period as the Board may otherwise require by written notice), its plan for remediation of its NSFR to at least 1.0. Specifically, this submission is required if the covered company has or should have provided notice to the Board that its NSFR is or will become less than 1.0, the covered company's reports or disclosures to the Board indicate the NSFR is less than 1.0, or the Board notifies the covered company that a plan is required and the reason such plan is required. Section 249.110(b) also requires a covered company that has submitted such a plan to submit at least monthly, or such other frequency as required by the Board, a report on its progress to achieve compliance.

The NSFR remediation plan must include, as applicable, (1) an assessment of the covered company's liquidity profile; (2) the actions the covered company has taken and will take to achieve a NSFR equal to or greater than 1.0, as required under section 249.100, including (a) a plan for adjusting the covered company's liquidity profile, and (b) a plan for remediating any operational or management issues that contributed to noncompliance with the NSFR requirement; and (3) an estimated timeline for achieving full compliance with section 249.100.

Recordkeeping Requirements

Section 249.4(a)(1) requires that in order for a covered company to recognize an agreement as a qualified master netting agreement for the purposes of section 249.3, the covered company must conduct a sufficient legal review to conclude with a well-founded basis (and maintain sufficient written documentation of that legal review) that: (i) the agreements meets the definition of qualifying master netting agreement under section 249.3, and (ii) in the event of

legal challenge, the relevant judicial and administrative authorities would find the agreement to be legal, valid, binding, and enforceable under the law of the relevant jurisdictions. Section 249.4(a)(2) also requires that the covered company establish and maintain written procedures to monitor possible changes in relevant law and to ensure that the agreement continues to satisfy the requirements of the definition of qualifying master netting agreement under section 249.3.

Section 249.22(a)(1) requires that a covered company demonstrate its operational capacity to monetize its HQLA by implementing and maintaining procedures and systems to monetize any HQLA at any time in accordance with relevant standard settlement periods and procedures and periodically monetizing a sample of the HQLA that reflects the composition of the covered company's eligible HQLA. Section 249.22(a)(2) requires that, with respect to each asset eligible for inclusion in a covered company's HQLA amount, the covered company must implement policies that require the eligible HQLA to be under the control of the management function in the covered company responsible for managing liquidity risk. The management function must evidence its control over the HQLA by segregating the HQLA from other assets, with the sole intent to use the HQLA as a source of liquidity, or demonstrating the ability to monetize the assets and making the proceeds available to the liquidity management function without conflicting with a business or risk management strategy of the covered company. Section 249.22(a)(4) requires that the covered company implement and maintain policies and procedures that determine the composition of its eligible HQLA on each calculation date, according to certain required steps. In addition, section 249.22(a)(5) requires that a covered company have a documented methodology that results in a consistent treatment for determining that the covered company's eligible HQLA meet the requirements of section 249.22.

Section 249.109(b) requires that, to the extent a covered company includes in its own available stable funding (ASF) the stable funding of a consolidated subsidiary, the covered company must implement and maintain written procedures to identify and monitor applicable statutory, regulatory, contractual, supervisory, or other restrictions on transferring assets from any of its consolidated subsidiaries. These procedures must document which types of transactions the covered company could use to transfer assets from a consolidated subsidiary to the covered company and how these types of transactions comply with applicable statutory, regulatory, contractual, supervisory, or other restrictions.

Disclosure Requirements

LCR Disclosure Requirements

Section 249.90 requires that a covered depository institution holding company, U.S. intermediate holding company, or covered nonbank company (together, covered holding and nonbank companies) provide timely public disclosures regarding the LCR requirement each calendar quarter, which must include of all the information required under section 249.91. A covered holding or nonbank company must provide the required disclosures beginning with the first calendar quarter that includes the date that is 18 months after the covered holding or nonbank company first became subject to subpart J of section 249.⁶ A covered holding or nonbank company must disclose publicly, in a direct and prominent manner, the required

⁶ Except as provided by sections 249.50(c)(1) and (2).

information on its public internet site or in its public financial or other public regulatory reports. The disclosures must remain publicly available for at least five years after the initial disclosure date.

Section 249.91 requires a covered holding or nonbank company to publicly disclose information about certain components of its LCR calculation in a standardized format (Table 1 to 249.91(a) Disclosure Template). A covered holding or nonbank company must disclose both average unweighted amounts and average weighted amounts for the covered company's HQLA, cash outflow amounts, and cash inflow amounts. A covered holding or nonbank company is required to calculate all disclosed amounts on a consolidated basis and express the results in millions of U.S. dollars or as a percentage, as applicable. A covered holding or nonbank company is also generally required to calculate all disclosed amounts as simple averages of the components used to calculate its daily LCR over a calendar quarter.

In addition, section 249.91 requires a covered holding or nonbank company to provide a qualitative discussion of factors that have a significant effect on its LCR. A covered holding or nonbank company's qualitative discussion may include: (1) the main drivers of the LCR, (2) changes in the LCR over time and causes of such changes, (3) the composition of eligible HQLA, (4) concentration of funding sources, (5) derivative exposures and potential collateral calls, (6) currency mismatch in the LCR, and (7) the covered holding or nonbank company's centralized liquidity management function and its interaction with other functional areas of the covered company. If the covered holding or nonbank company believes that this qualitative discussion would seriously prejudice its position by resulting in public disclosure of specific commercial or financial information that is either proprietary or confidential in nature, the covered holding or nonbank company is not required include those specific items in its qualitative discussion, but must provide more general information about the items that had a significant effect on its LCR, together with the fact that, and the reason why, more specific information was not discussed.

NSFR Disclosure Requirements

Section 249.130 requires that a covered holding or nonbank company publicly disclose in the second and fourth calendar quarter of each year the information regarding the NSFR, as specified by section 249.131, calculated for each of the two immediately preceding calendar quarters.

A covered holding or nonbank company must provide the required disclosures regarding the NSFR beginning with the first calendar quarter that includes the date that is 18 months after the covered holding or nonbank company first became subject to the minimum stable funding requirement in section 249.100. A covered holding or nonbank company must disclose publicly, in a direct and prominent manner, the required information on its public internet site or in its public financial or other public regulatory reports. These disclosures must remain publicly available for at least five years after the initial disclosure date.

Section 249.131 requires a covered holding or nonbank company to publicly disclose information about certain components of its NSFR calculation in a standardized format (Table 1

to 249.131(a) Disclosure Template). A covered holding or nonbank company must disclose both average unweighted amounts (grouped according to maturity) and average weighted amounts of: (1) ASF items, including capital and securities, retail funding, and wholesale funding, along with other liabilities; and (2) required stable funding (RSF) items, including total HQLA, certain zero percent RSF assets, operational deposits placed at financial sector entities, loans and securities, and undrawn commitments. A covered holding or nonbank company must calculate its disclosed amounts on a consolidated basis, in millions of U.S. dollars or as a percentage, as applicable, and as simple averages of daily amounts for each calendar year.

In addition, section 249.131 requires a covered holding or nonbank company to provide a qualitative discussion of factors that have a significant effect on its NSFR. A covered holding or nonbank company's qualitative discussion may include: (1) the main drivers of the NSFR, (2) changes in the NSFR over time and causes of such changes, (3) concentrations of funding sources and changes in funding structure, and (4) concentrations of ASF and RSF within a covered company's corporate structure. If the covered holding or nonbank company believes that this qualitative discussion would seriously prejudice its position by resulting in public disclosure of specific commercial or financial information that is either proprietary or confidential in nature, the covered holding or nonbank company is not required include those specific items in its qualitative discussion, but must provide more general information about the items that had a significant effect on its LCR, together with the fact that, and the reason why, more specific information was not discussed.

Respondent Panel

The FR WW panel comprises covered companies, as defined above. Certain requirements apply only to covered holding and nonbank companies, as defined above.

Frequency and Time Schedule

The reporting requirements of the FR WW information collection are submitted on an event-generated basis. The recordkeeping requirements of the FR WW information collection are both event-generated and ongoing. The disclosure requirements of the FR WW information collection must be met on a quarterly basis (relating to the LCR) as well as every second and fourth calendar quarter (relating to the NSFR) and must remain publicly available for at least five years after the initial disclosure date.

Adopted Revisions to the FR WW

The Board revised the FR WW information collection to account for three recordkeeping requirements in Regulation WW, contained in section 249.4(a) and section 249.22(a)(1) and (a)(4), which had not been previously cleared by the Board under the Paperwork Reduction Act. As discussed above, section 249.4(a) requires covered companies to produce and maintain certain records that document the compliance of their qualifying master netting agreement with the requirements of section 249.3, and that establish and document procedures for ensuring that these agreements remain compliant with the requirement of the regulation. In addition, as also discussed above, section 249.22(a)(1) requires covered companies to demonstrate their capacity

to monetize HQLA by implementing and maintaining procedures and systems to monetize any HQLA at any time in accordance with relevant settlement periods and procedures and periodically demonstrating its ability to monetize HQLA accordingly. Moreover, section 249.22(a)(4) requires that the covered company implement and maintain policies and procedures that determine the composition of its eligible HQLA on each calculation date, according to certain required steps.

Public Availability of Data

As discussed above and in the Legal Status section below, this information collection requires certain covered companies to make public disclosures of certain data related to the LCR on a quarterly basis and certain data related to the NSFR every second and fourth calendar quarter. These disclosures must remain publicly available for at least five years after the initial disclosure date. The data that firms report under the reporting requirements are generally not made publicly available. The information involved in the recordkeeping requirements is also generally not made publicly available.

Legal Status

The FR WW is authorized pursuant to section 5 of the Bank Holding Company Act (12 U.S.C. § 1844); sections 9 and 11 of the Federal Reserve Act (12 U.S.C. §§ 248, 324, and 334); section 10 of the Home Owners Loan Act (12 U.S.C. § 1467a); and sections 165, 166, and 168 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. §§ 5365, 5366, 5368) (Dodd-Frank Act).

Section 5(b) of the Bank Holding Company Act authorizes the Board to issue such regulations and orders as may be necessary to enable it to administer and effectively carry out the purposes of the Act, while section 5(c) of the Bank Holding Company Act authorizes the Board to require bank holding companies to submit reports to the Board regarding their financial condition.

Section 9 of the Federal Reserve Act requires member banks to file reports of condition to the Federal Reserve Bank of which they become a member. These reports of condition are required to be “in such form and ... [to] contain such information as the Board ... may require.” Section 9 of the Federal Reserve Act also requires member banks to make reports regarding nonbank affiliates that “contain such information as in the judgment of the Board ... shall be necessary to disclose fully the relations between such affiliate and such bank and to enable the Board to inform itself as to the effect of such relations upon the affairs of such bank.” Section 11 of the Federal Reserve Act authorizes the Board to require of member banks “such statements and reports as it may deem necessary.”

Section 10 of the Home Owners Loan Act requires a savings and loan holding company to file “such reports as may be required by the Board” and provides that such reports “shall contain such information concerning the operations of such savings and loan holding company and its subsidiaries as the Board may require.”

Section 165 of the Dodd-Frank Act requires the Board to establish prudential standards for large bank holding companies and certain nonbank companies supervised by the Board; these standards include liquidity requirements. Section 166 of the Dodd-Frank Act requires that the Board, in consultation with the Financial Stability Oversight Council and FDIC, establish regulations to provide for the early remediation of financial distress of bank holding companies and certain nonbank companies supervised by the Board, which may involve requiring certain reporting and recordkeeping from the companies. Section 168 of the Dodd-Frank Act authorizes the Board to issue regulations to implement certain of the statute's provisions, including sections 165 and 166.

The obligation to respond is mandatory, as authorized by the statutory provisions described in the discussion of legal authorization.

FR WW contains reporting requirements, recordkeeping requirements, and disclosure requirements, each of which correspond to a distinct confidentiality status.

Reporting Requirements

FR WW contains two types of reporting requirements, those related to the LCR and those related to the NSFR. In each case, the reporting requirements involve notifying the Board of shortfalls of the LCR and NSFR and, in certain circumstances, providing the Board with a liquidity or remediation plan, respectively, to address any shortcomings. As discussed further below, covered depository institution holding companies, U.S. intermediate holding companies, and covered nonbank companies (together, covered holding and nonbank companies) are required to make public disclosures about the level and calculation of their LCR and NSFR.⁷ However, the remediation plans are not required to be made public. Moreover, covered companies that are not covered holding and nonbank companies (i.e., state member banks) are not required to make public disclosures about the level and calculation of their LCR and NSFR, and so the shortfall notifications made to the Board do not contain information otherwise available to the public. The remediation plans for this subset of covered companies are also not required to be made public.

Although covered holding and nonbank companies are required to make public disclosures about the level and calculation of their LCR and NSFR, the disclosure standards require firms to disclose only average numbers and do not require reporting of past shortfalls. As a result, temporary shortfalls may not be reflected in public disclosures. To the extent that notifications to the Board of particular shortfalls contain only information that is made available to the public, the information would not be considered confidential and would not raise an issue of confidentiality. However, to the extent that the notifications that firms make to the Board of particular shortfalls contain information that is not available to the public at all or has not yet been made available to the public, it would be considered confidential information. Moreover, for state member banks, which are not required to make public disclosures about the level and calculation of their LCR and NSFR, the shortfall reporting requirements are confidential

⁷ Publicly traded companies may also be required to make public disclosures regarding this information under applicable securities law.

information. This confidential information submitted by both groups of firms would be exempt from disclosure pursuant to exemptions 4 and 8 of the Freedom of Information Act (FOIA).⁸

Exemption 4 covers confidential commercial or financial information that is customarily and actually treated as private by its owner and provided to the government under an assurance of privacy.⁹ To the extent a covered holding or nonbank company does customarily and actually keep shortfall information not reflected in its public disclosures private and to the extent a state member bank does customarily and actually keep information regarding its LCR and NSFR shortfalls private, this information would be exempt from disclosure under exemption 4.

Exemption 8 covers matters contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions. As documents related to the holding and nonbank companies' and state member banks' condition reports prepared for the use of the Board, an agency responsible for the regulation and supervision of financial institutions, the shortfall notifications for state member banks would also be exempt from disclosure under exemption 8.

As information that covered companies submit to the Board but do not disclose to the public, the remediation plans would also be exempt from disclosure under exemptions 4 and 8 of the FOIA. To the extent the firms do customarily and actually keep remediation plans private in practice, this information would be exempt from disclosure under exemption 4. Moreover, as documents related to the firms' condition reports prepared for the use of the Board, the remediation plans would also be exempt from disclosure under exemption 8.

Recordkeeping Requirements

FR WW also contains recordkeeping requirements. These requirements ensure that covered companies maintain sufficient documentation, policies, and procedures related to qualified master netting agreements, managing and monetizing HQLA, determining the composition of HQLA, and managing and calculating ASF when such funding is held by consolidated subsidiaries. These records are maintained at each covered company and are generally not collected by the Board, so no issue of confidentiality usually arises in connection with these requirements. However, in the event the Board obtained the records in connection with an examination of a covered company, the records would be exempt from disclosure under exemption 8, as documents related to the examination reports prepared by or for the use of the Board, an agency responsible for the regulation or supervision of financial institutions.

Disclosure Requirements

FR WW's disclosure provisions require covered holding and nonbank companies to make public disclosures about the level and calculation of their LCR and NSFR, and significant factors driving these ratios. These disclosures are made available to the public, so no issue of confidentiality under the FOIA is raised in connection with the records.

⁸ 5 U.S.C. §§ 552(b)(4), (b)(8), respectively.

⁹ See *Food Marketing Institute v. Argus Leader Media*, 139 S. Ct. 2356, 2364 (2019).

Consultation Outside the Agency

The Board consulted with the FDIC and OCC with respect to the extension, with revision, of this information collection.

Public Comments

On December 5, 2023, the Board published an initial notice in the *Federal Register* (88 FR 84328) requesting public comment for 60 days on the extension, with revision, of the FR WW. The comment period for this notice expires on February 5, 2024. The Board did not receive any comments. On April 26, 2024, the Board published a final notice in the *Federal Register* (89 FR 32430).

Estimate of Respondent Burden

As shown in the table below, the estimated total annual burden for the FR WW is 2,929 hours and would decrease to 2,483 hours with the adopted revisions. The burden estimate was produced using the standard Board burden calculation methodology, which has caused some of the estimated hours per response to change, leading to a net decrease in the total estimated burden. These reporting, recordkeeping, and disclosure requirements represent less than 1 percent of the Board’s total paperwork burden.

FR WW	<i>Estimated number of respondents¹⁰</i>	<i>Estimated annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
<i>Current</i>				
Reporting				
Sections 249.40(a) and 249.110(a)	1	12	0.5	6
Sections 249.40(b) and 249.110(b)	1	1	0.5	1
Sections 249.40(b)(3)(iv) and 249.110(b)	1	4	0.5	2
Recordkeeping				
Sections 249.22(a)(2), 249.22(a)(5), and 249.109(b)	20	1	40	800
Sections 249.40(b) and 249.110(b)	1	1	200	200
Disclosure				

¹⁰ Of these respondents, none are considered small entities as defined by the Small Business Administration (i.e., entities with less than \$850 million in total assets), <https://www.sba.gov/document/support-table-size-standards>.

Sections 249.90, 249.91, 249.130, and 249.131	20	4	24	1,920
<i>Current Total</i>				2,929
<i>Adopted</i>				
Reporting				
Sections 249.40(a) and 249.110(a)	1	12	0.5	6
Sections 249.40(b) and 249.110(b) ¹¹	1	1	44.5	45
Sections 249.40(b)(3)(iv) and 249.110(b)	1	4	0.5	2
Recordkeeping				
Sections 249.22(a) and 249.109(b)	20	1	25	500
Section 249.4(a)	20	1	0.5	10
Disclosure				
Sections 249.90, 249.91, 249.130, and 249.131	20	4	24	1,920
<i>Proposed Total</i>				2,483
<i>Change</i>				(446)

The estimated total annual cost to the public for the FR WW is \$204,591 and would decrease to \$173,438 with the adopted revisions.¹²

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 information collection is negligible.

¹¹ The Board determined that the recordkeeping burden previously associated with Sections 249.40(b) and 249.110(b) was actually reporting burden and has recategorized it as such in the burden table.

¹² Total cost to the responding public is estimated using the following formula: total burden hours, multiplied by the cost of staffing, where the cost of staffing is calculated as a percent of time for each occupational group multiplied by the group's hourly rate and then summed (30% Office & Administrative Support at \$23, 45% Financial Managers at \$84, 15% Lawyers at \$85, and 10% Chief Executives at \$124). Hourly rates for each occupational group are the (rounded) mean hourly wages from the Bureau of Labor Statistics (BLS), Occupational Employment and Wages, May 2023, published April 3, 2024 <https://www.bls.gov/news.release/ocwage.t01.htm#>. Occupations are defined using the BLS Standard Occupational Classification System, <https://www.bls.gov/soc/>.