

**Supporting Statement for the
Interagency Notice of Change in Control,
Interagency Notice of Change in Director or Senior Executive Officer, and
Interagency Biographical and Financial Report
(FR 2081a, b, and c; OMB No. 7100-0134)**

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 Interagency Notice of Change in Control, Interagency Notice of Change in Director or Senior Executive Officer, and Interagency Biographical and Financial Report (FR 2081a,b,c; OMB No. 7100-0134). Each of these forms is used by the Board to collect information in connection with certain filings by bank holding companies (BHCs), savings and loan holding companies (SLHCs), state member banks (SMBs), and associated individuals prior to proposed changes in the ownership or management of BHCs, SLHCs, and SMBs.¹

The information collected by these forms assists the Board in fulfilling its statutory responsibilities as a supervisor. The information collected in the Interagency Notice of Change in Control (FR 2081a) is provided by persons seeking to acquire or retain control of a BHC, SLHC, or SMB pursuant to the Change in Bank Control Act (CBC Act) (12 U.S.C. § 1817(j)). The Interagency Notice of Change in Director or Senior Executive Officer (FR 2081b) is submitted by a BHC, SLHC, or SMB making changes to its board of directors or senior executive officers, or by the individual involved, under certain circumstances, pursuant to section 914 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) (12 U.S.C. § 1831i). The Interagency Biographical and Financial Report (FR 2081c) is a companion reporting form to the FR 2081a, FR 2081b, as well as an array of other reporting forms,² and is used to gather required information about the individuals involved in various applications and notices.

The estimated total annual burden for the FR 2081a, b, and c is 7,508 hours. The forms and instructions are available on the Board's public website at <https://www.federalreserve.gov/apps/reportingforms>.

¹ These forms were promulgated jointly by the Board, Office of the Comptroller of the Currency (OCC), and Federal Deposit Insurance Corporation (FDIC) (collectively, the agencies), which have separately cleared this information collection with respect to the financial institutions that they regulate.

² In addition to the FR 2081a and FR 2081b, the following forms may also require an FR 2081c filing: Interagency Bank Merger Act Application (FR 2070; 7100-0171), Registration of a Securities Holding Company (FR 2082; 7100-0347), Application to the Board of Governors of the Federal Reserve System for Membership in the Federal Reserve System (FR 2083; 7100-0042), International Applications and Prior Notifications under Subpart B of Regulation K (FR K-2; 7100-0284), Application to Become a Bank Holding Company and/or Acquire an Additional Bank or Bank Holding Company (FR Y-3; 7100-0121), Application for a Foreign Organization to Acquire a U.S. Bank or Bank Holding Company (FR Y-3F; 7100-0119), Application to Become a Savings and Loan Holding Company or to Acquire a Savings Association or Savings Loan Holding Company (FR LL-10(e); 7100-0336), Notice of Mutual Holding Company Reorganization (FR MM-10(o)-1; 7100-0340), Application for Approval of a Stock Issuance by a Subsidiary Holding Company of a Mutual Holding Company (FR MM-10(o)-2; 7100-0340), Application for Conversion of a Mutual Holding Company to Stock Form (FR MM-AC; 7100-0340), Offering Circulars (FR MM-OC; 7100-0340), Order Form (FR MM-OF; 7100-0340), and Proxy Statement (FR MM-PS; 7100-0340).

Background and Justification

Under the CBC Act, a person (which may be an individual, a group of individuals, or a company) must seek the prior approval of the appropriate federal banking agency before acquiring control of an insured depository institution or its parent holding company(ies). One of the major objectives of the CBC Act is to prevent serious adverse effects resulting from unsuitable ownership of, inadequate financial support for, and unsuitable management of insured depository institutions or their parent holding companies. The Board uses the information from the FR 2081a and FR 2081c to evaluate the qualifications of specific individuals organizing, acquiring control or, or managing an SMB, BHC, or SLHC to ensure that a proposed transaction is permissible under law and regulation and is consistent with safe and sound banking practices.³

Under section 914 of FIRREA, when an insured depository institution, BHC, or SLHC meeting certain financial or supervisory criteria intends to add an individual to its board of directors or employ an individual as a senior executive officer, the prior consent of one of the agencies is required. The purpose of section 914 is to give the agencies an opportunity to object if the competence, experience, character, or integrity of the individual who seeks to be employed or otherwise associated with the institution is not in the best interests of the depositors of the institution or the public. The FR 2081b and FR 2081c is used by either an institution or an individual to file prior notice with the Board with respect to a proposed position at an SMB, BHC, or SLHC.

The information requested in the FR 2081a, FR 2081b, and FR 2081c is not available from any other source and is necessary for the Board to fulfill its supervisory responsibilities.

Description of Information Collection

FR 2081a

The FR 2081a must be submitted in connection with the acquisition or, in certain circumstances, the retention of control of an SMB, SLHC, or BHC (or group of BHCs or SLHCs) by an individual, a group of individuals, a company, or a group of companies that would not be BHCs or SLHCs after consummation of the proposed transaction. The notice must be submitted to the appropriate Reserve Bank. The notice must include a description of the proposed transaction, the purchase price and funding source, the personal and financial information of the proposed acquirer(s), and any proposed new management.

An FR 2081a filer must publish an announcement soliciting public comment on the proposed acquisition in a newspaper of general circulation in the community in which the head office of the depository institution or holding company is located. In the case of a BHC or SLHC, an announcement also must be published in each community in which the head office of a bank or savings association subsidiary of the holding company is located. A copy of the affidavit(s) of publication should be submitted to the appropriate Reserve Bank. The publication

³ Notice under the CBC Act is not required for any acquisition of voting securities subject to approval under section 3 of the BHC Act (12 U.S.C. § 1842) or section 18(c) of the Federal Deposit Insurance Act (Bank Merger Act, 12 U.S.C. § 1828(c)), or in certain other situations. See 12 CFR 225.42.

must (1) state the name and address of each person identified as an acquirer in the notice, (2) state the name of the bank or holding company to be acquired and each of its subsidiary banks, and (3) include a statement that interested persons may submit comments on the proposed transaction to the Board or the appropriate Reserve Bank. The newspaper notice must be published no more than 15 calendar days before and no later than 10 calendar days after the date that the application is filed with the appropriate Reserve Bank. The Board understands that respondents use information technology to comply with these provisions, including filing either in hard copy or electronically via FedEZFile with the appropriate Reserve Bank.

FR 2081b

The FR 2081b is used, under certain circumstances, to notify the appropriate Reserve Bank of a proposed change to an institution's board of directors or senior executive officers. The notice must be filed if the institution is not in compliance with all minimum capital requirements, is in troubled condition, or is otherwise required by the Board to provide such notice. The reporting form may be filed by the relevant SMB, SLHC, or BHC, or by the affected individual. The notice must include (1) details of the proposed transaction, (2) steps taken by the insured depository institution or holding company to investigate and satisfy itself as to the competence, experience, character, and integrity of the subject individual, (3) if the notice represents a proposal to serve as a senior executive officer of an insured depository institution or holding company, a description of the duties and responsibilities of the subject position and proposed terms of employment, and (4) if it is an after-the-fact notice, an identification of the exception to the prior notice requirement upon which the notificant relies or a discussion of the reasons that prior notice was not given and what steps have been taken to avoid future violations. The Board understands that respondents use information technology to comply with these provisions, including filing either in hard copy or electronically via FedEZFile with the appropriate Reserve Bank at least 30 days prior to an SMB, BHC, or SLHC, under certain circumstances, adding or replacing a member of its board of directors, employing a person as a senior executive officer of the institution, or changing the responsibilities of a senior executive officer so that the person would assume a different senior executive officer position.

FR 2081c

The FR 2081c is used by certain shareholders, directors, and executive officers in connection with the FR 2081a, FR 2081b, as well as applications for BHC and SLHC formations, acquisitions, and mergers, among other filings.⁴ Information requested on this reporting form is subject to verification and must be complete. As with all the notices and reporting forms, requests for clarification or supplementation of the original filing may be necessary. The FR 2081c requests the following information: (1) certain biographical information, such as personal information, employment records, education and professional credentials, and business and banking affiliations, (2) certain legal and related information, and (3) a financial report on the notificant, including a balance sheet, a cash flow statement, and various supporting schedules.

⁴ See footnote 2 for a list of other applications which may require an FR 2081c filing.

Personally Identifiable Information

Personally identifiable information (PII) obtained in this information collection includes personal information, such as individuals' dates of birth; social security numbers; and employment, education, financial, and legal data. The information provided is sensitive in nature and is necessary for the Board to gather information about the individuals involved in various applications and notices and make determinations on such filings. Information collected as part of this process is stored in the System of Records Notice BGFRS-37, Electronic Applications (87 FR 49836). This information is also covered by the Privacy Impact Assessments - Electronic Applications System and Federal Reserve Application Name Check System (FRANCSYS).

Respondent Panel

The FR 2081a, b, and c respondent panels comprise SMBs, BHCs, SLHCs, and associated individuals.

Frequency and Time Schedule

The FR 2081a is event-generated and must be filed either in hard copy or electronically via FedEZFile with the appropriate Reserve Bank at least 60 days prior to a proposed change in control. The associated newspaper notice must be published no more than 15 calendar days before and no later than 10 calendar days after the date that the application is filed with the appropriate Reserve Bank.

The FR 2081b is event-generated and must be filed either in hard copy or electronically via FedEZFile with the appropriate Reserve Bank at least 30 days prior to an SMB, BHC, or SLHC, under certain circumstances, adding or replacing a member of its board of directors, employing a person as a senior executive officer of the institution, or changing the responsibilities of a senior executive officer so that the person would assume a different senior executive officer position.

The FR 2081c is event-generated and is used by individuals in conjunction with other notices or applications, and is submitted to the appropriate regulatory agency according to deadlines and via the submission methods associated with those other notices or applications. The FR 2081c is not a stand-alone report.

Public Availability of Data

With regard to change-in-control notices filed using the FR 2081a, the Board publishes certain information regarding the parties to and structure of the associated transaction in its H.2 release and in the *Federal Register*. No data collected through the FR 2081b or FR 2081c are proactively made available to the public by the Board. The Board may release non-confidential information included in an FR 2081a, b, or c notice upon request pursuant to the Freedom of Information Act.

Legal Status

The legal authority for the FR 2081a, b, and c information collections comes from a variety of statutory provisions. When used in conjunction, the FR 2081a and FR 2081c information collections are authorized by section 7(j) of the Federal Deposit Insurance Act (12 U.S.C. § 1817(j)), which states that “[n]o person . . . shall acquire control of any insured depository institution . . . unless the appropriate Federal banking agency has been given sixty days’ prior written notice of such proposed acquisition” and requires the Federal Reserve to investigate the competence, experience, integrity, and financial ability of any such person. The Board also has the authority to require reports from BHCs (12 U.S.C. § 1844(c)), SLHC (12 U.S.C. §§ 1467a(b) and (g)), and SMBs (12 U.S.C. §§ 248(a) and 324). Similarly, the FR 2081b and FR 2081c information collections are authorized by section 914 of FIRREA, which provides that an insured depository institution or depository institution holding company shall notify the appropriate Federal banking agency of the proposed addition of any individual to the board of directors of the employment of any individual as a senior executive officer at least 30 days before such addition or employment becomes effective (12 U.S.C. § 1831i). In addition to being used in conjunction with the FR 2081a and FR 2081b, the FR 2081c is also used in conjunction with an array of other reporting forms collected by the Board in conjunction with various applications and notices reviewed by the Board.⁵ The obligation to file these event-generated reports is mandatory.

Individual respondents may request that information submitted to the Board through the FR 2081a, FR 2081b, or FR 2081c be kept confidential. If a respondent requests confidential treatment, the Board will determine whether the information is entitled to confidential treatment on a case-by-case basis. To the extent a respondent submits nonpublic commercial or financial information in connection with the FR 2081a, FR 2081b, or FR 2081c, which is both customarily and actually treated as private by the respondent, the respondent may request confidential treatment pursuant to exemption 4 of the Freedom of Information Act (FOIA) (5 U.S.C. § 552(b)(4)). To the extent a respondent submits personal, medical, or similar files, the disclosure of which would constitute an unwarranted invasion of privacy, the respondent may request confidential treatment pursuant to exemption 6 of the FOIA (5 U.S.C. § 552(b)(6)). To the extent a respondent submits information related to examination, operating, or condition reports prepared by, on behalf of, or for the use of a financial supervisory agency, the respondent may request confidential treatment pursuant to exemption 8 of the FOIA (5 U.S.C. § 552(b)(8)). The entity should separately designate any such information as “confidential commercial information” or “confidential financial information” and the Board will treat such designated information as confidential to the extent permitted by law, including the FOIA.

Consultation Outside the Agency

The Board consulted with the OCC and FDIC to confirm that no revisions were needed to these forms for this clearance cycle.

⁵ See footnote 2 for a list of other applications which may require an FR 2081c filing.

Public Comments

On January 29, 2024, the Board published an initial notice in the *Federal Register* (89 FR 5540) requesting public comment for 60 days on the extension, without revision, of the FR 2081a, b, and c. The comment period for this notice expired on March 29, 2024. The Board did not receive any comments. The Board adopted the extension, without revision, of the FR 2081a, b, and c as originally proposed. On June 7, 2024, the Board published a final notice in the *Federal Register* (89 FR 48642).

Estimate of Respondent Burden

As shown in the table below, the estimated total annual burden for the FR 2081a, b, and c is 7,508 hours. The burden estimate for the FR 2081a includes the burden associated with the required newspaper publication. On average, between three and four individuals listed on an FR 2081a or FR 2081b filing must also submit a companion FR 2081c report. The burden associated with filing the FR 2081c as a supplement is included with those information collections. The annual reporting burden estimate is based on the average number and type of applications received from 2020 to 2022. The burden estimate was adjusted down using the standard Board burden calculation methodology. These reporting and disclosure requirements represent less than 1 percent of the Board’s total paperwork burden.

| FR 2081 | <i>Estimated number of respondents⁶</i> | <i>Estimated annual frequency</i> | <i>Estimated average hours per response</i> | <i>Estimated annual burden hours</i> |
|-------------------|--|-----------------------------------|---|--------------------------------------|
| Reporting | | | | |
| FR 2081a | 153 | 1 | 17 | 2,601 |
| FR 2081b | 112 | 1 | 2 | 224 |
| FR 2081c | 906 | 1 | 5 | 4,530 |
| Disclosure | | | | |
| FR 2081a | 153 | 1 | 1 | <u>153</u> |
| <i>Total</i> | | | | 7,508 |

The estimated total annual cost to BHCs, SLHCs, and SMBs for the FR 2081a and FR 2081b is \$208,013,⁷ while the estimated total annual cost to individuals for the FR 2081c is

⁶ Of these respondents, 74 FR 2081a filers and 55 FR 2081b filers are considered small entities as defined by the Small Business Administration (i.e., entities with less than \$850 million in total assets). Size standards effective March 17, 2023. See <https://www.sba.gov/document/support-table-size-standards>. There are no special accommodations given to mitigate the burden on small institutions.

⁷ 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/>.

\$140,430.⁸ Accordingly, the estimated total annual cost to the public for the FR 2081a, b, and c is \$348,443.

Sensitive Questions

The FR 2081c collects the individual's Social Security Number and citizenship information. The solicitation and collection of this information is authorized by the statutes that require an appropriate federal banking agency to generally determine the competence, experience, integrity, or financial ability of individuals proposing to serve a federally regulated financial institution in an official capacity (that is, as a director, officer, employee, or principal shareholder). For the purposes of the Board, these statutes include: 12 U.S.C. § 1817(j) (changes in control of insured depository institutions), and 12 U.S.C. § 1831(i) (agency disapproval of directors and senior executive officers of insured depository institutions or depository institution holding companies).

Estimate of Cost to the Federal Reserve System

The estimated cost to the Federal Reserve System for collecting and processing the FR 2081a, b, and c is negligible.

⁸ The average consumer cost of \$31 is estimated using data from the BLS, *Occupational Employment and Wages, May 2023*, published April 3, 2024, <https://www.bls.gov/news.release/ocwage.t01.htm>.