SUPPORTING STATEMENT

CREDIT RISK RETENTION

OMB No. 3064-0183

INTRODUCTION

The Federal Deposit Insurance Corporation requests OMB approval to extend, with revisions, the above-captioned collection of information. The clearance for the collection expires on December 31, 2024. This information collection (OMB Control No. 3064-0183) is comprised of disclosure and recordkeeping requirements under the credit risk retention rule issued pursuant to section 15G of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78o-11), as added by section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank”), Pub. L. No.111-2-3, 124 Stat. 1376 (2010). The Credit Risk Retention rule was jointly issued in 2015 by the Federal Deposit Insurance Corporation (“FDIC”), the Office of the Comptroller of the Currency (“OCC”), the Federal Reserve Board (“Board”), the Securities and Exchange Commission (“SEC”) and, with respect to the portions of the Rule addressing the securitization of residential mortgages, the Federal Housing Finance Agency (“FHFA”) and the Department of Housing and Urban Development (“HUD”). The FDIC Credit Risk Retention rule is found at 12 CFR Part 373.

A. JUSTIFICATION

1. Circumstances that make the collection necessary:

Section 941 requires the Board, the FDIC, the OCC (collectively, the “Federal banking agencies”), the Commission and, in the case of the securitization of any “residential mortgage asset,” together with HUD and FHFA, to jointly prescribe regulations that (i) require a securitizer to retain not less than five percent of the credit risk of any asset that the securitizer, through the issuance of an asset-backed security (“ABS”), transfers, sells or conveys to a third party, and (ii) prohibit a securitizer from directly or indirectly hedging or otherwise transferring the credit risk that the securitizer is required to retain under section 941 and the agencies’ implementing rules. Exempted from the credit risk retention requirements of section 941 are certain types of securitization transactions, including ABS collateralized solely by qualified residential mortgages (“QRMs”), as that term is defined in the Rule. In addition, section 941 provides that the agencies must permit a securitizer to retain less than five percent of the credit risk of residential mortgage loans, commercial real estate (“CRE”) loans, commercial loans and automobile loans that are transferred, sold or conveyed through the issuance of ABS by the securitizer, if the loans meet underwriting standards established by the Federal banking agencies.

The Rule provides a menu of credit risk retention options from which securitizers can choose and sets out the standards, including disclosure and recordkeeping requirements, for each option; identifies the eligibility criteria, including certification and disclosure requirements, that must be met for ABS offerings to qualify for the QRM and other exemptions; specifies the underwriting standards for CRE loans, commercial loans and automobile loans, as well as disclosure, certification and recordkeeping requirements, that must be met for ABS issuances collateralized by such loans to qualify for reduced credit risk retention; and sets forth the circumstances under which retention obligations may be allocated by sponsors to originators, including disclosure and monitoring requirements.

1. Use of information collected:

Part 373 contains several requirements that qualify as information collections under the Paperwork Reduction Act of 1995 (“PRA”). The information collection requirements are found in sections 373.4, \_.5, \_.6, \_.7, \_.8, \_.9, \_.10, \_.11, \_.13, \_.15, \_.16, \_.17, \_.18 and \_.19 (g). The recordkeeping requirements relate primarily to (i) the adoption and maintenance of various policies and procedures to ensure and monitor compliance with regulatory requirements and (ii) certifications, including as to the effectiveness of internal supervisory controls. The required disclosures for each risk retention option are intended to provide investors with material information concerning the sponsor’s retained interest in a securitization transaction (e.g., the amount, form and nature of the retained interest, material assumptions and methodology, representations and warranties). Compliance with the information collection requirements is mandatory, responses to the information collections will not be kept confidential and, with the exception of the recordkeeping requirements in sections 373.4(d), 373.5(k)(3) and 373.15(d), the Rule does not specify a mandatory retention period for the information.

***Standard Risk Retention.*** Section 373.4 sets forth the conditions that must be met by sponsors electing to use the standard risk retention option, which may consist of an eligible vertical interest or an eligible horizontal residual interest, or any combination thereof. Sections 373.4(c) (1) and 373.4(c) (2) specify the disclosures required with respect to eligible horizontal residual interests and eligible vertical interests, respectively.

A sponsor retaining any eligible horizontal residual interest (or funding a horizontal cash reserve account) is required to disclose: the fair value (or a range of fair values and the method used to determine such range) of the eligible horizontal residual interest that the sponsor expects to retain at the closing of the securitization transaction (§373.4(c)(1)(i)(A)); the material terms of the eligible horizontal residual interest (§373.4(c)(1)(i)(B)); the methodology used to calculate the fair value (or range of fair values) of all classes of ABS interests (§373.4(c)(1)(i)(C)); the key inputs and assumptions used in measuring the estimated total fair value (or range of fair values) of all classes of ABS interests (§373.4(c)(1)(i)(D)); the reference data set or other historical information used to develop the key inputs and assumptions (§373.4(c)(1)(i)(G)); the fair value of the eligible horizontal residual interest retained by the sponsor (§373.4(c)(1)(ii)(A)); the fair value of the eligible horizontal residual interest required to be retained by the sponsor (§373.4(c)(1)(ii)(B)); a description of any material differences between the methodology used in calculating the fair value disclosed prior to sale and the methodology used to calculate the fair value at the time of closing (§373.4(c)(1)(ii)(C)); and the amount placed by the sponsor in the horizontal cash reserve account at closing, the fair value of the eligible horizontal residual interest that the sponsor is required to fund through such account, and a description of such account (§373.4(c)(1)(iii)).

For eligible vertical interests, the sponsor is required to disclose: the form of the eligible vertical interest (§373.4(c)(2)(i)(A)); the percentage that the sponsor is required to retain (§373.4(c)(2)(i)(B)); a description of the material terms of the vertical interest and the amount the sponsor expects to retain at closing(§373.4(c)(2)(i)(C)); and the amount of vertical interest retained by the sponsor at closing (§373.4(c)(2)(ii)).

Section 373.4(d) requires a sponsor to retain the certifications and disclosures required in paragraphs (a) and (c) of this section in its records and the sponsor must provide the disclosure upon request to the Commission and the sponsor’s appropriate Federal banking agency, if any, until three years after no ABS interests are outstanding.

***Revolving Pool Securitizations.*** Section 373.5 requires sponsors relying on the revolving pool securitization (or master trust) risk retention option to disclose: the material terms of the seller’s interest and the percentage of the seller’s interest that the sponsor expects to retain at the closing of the transaction (§373.5(k)(1)(i)); the percentage of the seller’s interest that the sponsor retained at closing (§373.5(k)(1)(ii)); the material terms of any horizontal risk retention offsetting the seller’s interest under §373.5(g), §373.5(h) and §373.5(i) (§373.5(k)(1)(iii)); and the fair value of any horizontal risk retention retained by the sponsor (§373.5(k)(1)(iv)). Additionally, a sponsor must retain the disclosures required by §373.5(k)(1) in its records and must provide the disclosures upon request to the Commission and the sponsor’s appropriate Federal banking agency, if any, until three years after no ABS interests are outstanding (§373.5(k)(3)).

***Eligible ABCP Conduits.*** Section 373.6 addresses the requirements for sponsors utilizing the eligible ABCP conduit risk retention option. The requirements for the eligible ABCP conduit risk retention option include disclosure to each purchaser of ABCP and periodically to each holder of ABCP issued by the ABCP conduit of the name and form of organization of the regulated liquidity provider that provides liquidity coverage to the eligible ABCP conduit, including a description of the material terms of such liquidity coverage, and notice of any failure to fund; and with respect to each ABS interest held by the ABCP conduit, the asset class or brief description of the underlying securitized assets, the standard industrial category code for each originator-seller that retains an interest in the securitization transaction, and a description of the percentage amount and form of interest retained by each originator-seller (§373.6(d)(1)). An ABCP conduit sponsor relying upon this section shall provide, upon request, to the Commission and the sponsor’s appropriate Federal banking agency, if any, the information required under §373.6(d)(1), in addition to the name and form of organization of each originator-seller that retains an interest in the securitization transaction (§373.6(d)(2)).

A sponsor relying on the eligible ABCP conduit risk retention option shall maintain and adhere to policies and procedures to monitor compliance by each originator-seller (§373.6(f) (2) (i)). If the ABCP conduit sponsor determines that an originator-seller is no longer in compliance, the sponsor must promptly notify the holders of the ABCP and, upon request, the Commission and the sponsor’s appropriate Federal banking agency, in writing of the name and form of organization of any originator-seller that fails to retain, and the amount of ABS interests issued by an intermediate SPV of such originator-seller and held by the ABCP conduit (§373.6(f)(2)(ii)(A)(1)); the name and form of organization of any originator-seller that hedges, directly or indirectly through an intermediate SPV, its risk retention in violation of the rule, and the amount of ABS interests issued by an intermediate SPV of such originator-seller and held by the ABCP conduit (§373.6(f)(2)(ii)(A)(2)); and any remedial actions taken by the ABCP conduit sponsor or other party with respect to such ABS interests (§373.6(f)(2)(ii)(A)(3)).

***Commercial Mortgage-Backed Securities.*** Section 373.7 sets forth the requirements for sponsors relying on the commercial mortgage-backed securities (“CMBS”) risk retention option, and includes disclosures of: the name and form of organization of each initial third-party purchaser (§373.7(b)(7)(i)); each initial third-party purchaser’s experience in investing in commercial mortgage-backed securities (§373.7(b)(7)(ii)); other material information (§373.7(b)(7)(iii)); the fair value and purchase price of the eligible horizontal residual interest retained by each third-party purchaser, and the fair value of the eligible horizontal residual interest that the sponsor would have retained if the sponsor had relied on retaining an eligible horizontal residual interest under the standard risk retention option (§373.7(b)(7)(iv) and (v)); a description of the material terms of the eligible horizontal residual interest retained by each initial third-party purchaser, including the same information as is required to be disclosed by sponsors retaining horizontal interests pursuant to §373.4 (§373.7(b)(7)(vi)); the material terms of the applicable transaction documents with respect to the Operating Advisor (§373.7(b)(7)(vii)); and representations and warranties concerning the securitized assets, a schedule of any securitized assets that are determined not to comply with such representations and warranties, and the factors used to determine that such securitized assets should be included in the pool notwithstanding that they did not comply with the representations and warranties (§373.7(b)(7)(viii)). A sponsor relying on the CMBS risk retention option is also required to provide in the underlying securitization transaction documents certain provisions related to the Operating Advisor (§373.7(b)(6)), to maintain and adhere to policies and procedures to monitor compliance by third-party purchasers with regulatory requirements (§373.7(c)(2)(A)), and to notify the holders of the ABS interests in the event of noncompliance by a third-party purchaser with such regulatory requirements (§373.7(c)(2)(B)).

***Fannie Mae and Freddie Mac ABS.*** Section 373.8 requires that a sponsor relying on the Federal National Mortgage Association and Federal Home Loan Mortgage Corporation risk retention option must disclose a description of the manner in which it has met the credit risk retention requirements (§373.8(c)).

***Open-Market CLOs.*** Section 373.9 sets forth the requirements for sponsors relying on the open market CLO risk retention option, and includes disclosures of a complete list of, and certain information related to, every asset held by an open market CLO (§373.9(d)(1)), and the full legal name and form of organization of the CLO manager (§373.9(d)(2)).

***Qualified Tender Option Bonds.*** Section 373.10 sets forth the requirements for sponsors relying on the qualified tender option bond risk retention option, and includes disclosures of the name and form of organization of the qualified tender option bond entity, a description of the form and subordination features of the retained interest in accordance with the disclosure obligations in section 373.4(d), the fair value of any portion of the retained interest that is claimed by the sponsor as an eligible horizontal residual interest, and the percentage of ABS interests issued that is represented by any portion of the retained interest that is claimed by the sponsor as an eligible vertical interest (§373.10(e)(1)-(4)). In addition, to the extent any portion of the retained interest claimed by the sponsor is a municipal security held outside of the qualified tender option bond entity, the sponsor must disclose the name and form of organization of the qualified tender option bond entity, the identity of the issuer of the municipal securities, the face value of the municipal securities deposited into the qualified tender option bond entity, and the face value of the municipal securities retained outside of the qualified tender option bond entity by the sponsor or its majority-owned affiliates (§373.10(e)(5)).

***Allocation to Originator.*** Section 373.11 sets forth the conditions that apply when the sponsor of a securitization allocates to originators of securitized assets a portion of the credit risk the sponsor is required to retain, including disclosure of the name and form of organization of any originator that acquires and retains an interest in the transaction, a description of the form, amount and nature of such interest, and the method of payment for such interest (§373.11(a) (2)). A sponsor relying on this section is required to maintain and adhere to policies and procedures that are reasonably designed to monitor originator compliance with retention amount and hedging, transferring and pledging requirements (§373.11(b) (2) (A)), and to promptly notify the holders of the ABS interests in the transaction in the event of originator non-compliance with such regulatory requirements (§373.11(b) (2) (B)).

***QRM and Exempt 3-4 Unit Residential Mortgage Loans.*** Sections 373.13 and 373.19(g) provide exemptions from the risk retention requirements for qualified residential mortgages and qualifying 3-to-4 unit residential mortgage loans that meet certain specified criteria, including that the depositor with respect to the securitization transaction certify that it has evaluated the effectiveness of its internal supervisory controls and concluded that the controls are effective (§§373.13(b)(4)(i) and 373.19(g)(2)), and that the sponsor provide a copy of the certification to potential investors prior to sale of ABS in the issuing entity (§§373.13(b)(4)(iii) and 373.19(g)(2)). In addition, §§373.13(c)(3) and 373.19(g)(3) provide that a sponsor that has relied upon either exemption will not lose the exemption if, after closing of the transaction, it is determined that one or more of the residential mortgage loans does not meet all of the criteria; provided that the depositor complies with certain specified requirements, including prompt notice to the holders of the ABS of any loan that is required to be repurchased by the sponsor, the amount of such repurchased loan, and the cause for such repurchase.

***Reduced Risk Retention for Qualifying Commercial, CRE and Automobile Loans.*** Section 373.15 provides for zero percent risk retention for qualifying commercial loans that meet the criteria specified in Section 373.16, qualifying CRE loans that meet the criteria specified in Section 373.17, and qualifying automobile loans that meet the criteria specified in Section 373.18. Section 373.15 also requires the sponsor to disclose a description of the manner in which the sponsor determined the aggregate risk retention requirement for any securitization transaction that includes both qualifying commercial loans, qualifying CRE loans, or qualifying automobile loans (“qualifying assets”) that are allocated zero percent risk retention and non-qualifying assets for which five percent retention is required (§373.15(a) (4)). In addition, the sponsor is required to disclose descriptions of the qualifying assets, and descriptions of the assets that are not qualifying assets, and the material differences between the group of qualifying assets and the group of assets that are not qualifying assets with respect to the composition of each group’s loan balances, loan terms, interest rates, borrower credit information, and characteristics of any loan collateral (§373.15(b) (3)). Additionally, a sponsor must retain the disclosures required in §§373.15(a) and (b) in its records and must provide the disclosure upon request to the Commission and the sponsor’s appropriate Federal banking agency, if any, until three years after no ABS interests are outstanding (§373.15(d)).

***Underwriting Standards for Qualifying Commercial, CRE and Automobile Loans.*** Sections 373.16, 373.17 and 373.18 each require that: the depositor of the ABS certify that it has evaluated the effectiveness of its internal supervisory controls and concluded that its internal supervisory controls are effective (§§373.16(a)(8)(i), 373.17(a)(10)(i), and 373.18(a)(8)(i)); the sponsor is required to provide a copy of the certification to potential investors prior to the sale of ABS in the issuing entity (§§373.16(a)(8)(iii), 373.17(a)(10)(iii), and 373.18(a)(8)(iii)); and the sponsor must promptly notify the holders of the ABS of any loan included in the transaction that is required to be cured or repurchased by the sponsor, including the principal amount of such loan and the cause for such cure or repurchase (§§373.16(b)(3), 373.17(b)(3), and 373.18(b)(3)). Additionally, a sponsor must retain the disclosures required in §§373.16(a)(8), 373.17(a)(10) and 373.18(a)(8) in its records and must provide the disclosures upon request to the Commission and the sponsor’s appropriate Federal banking agency, if any, until three years after no ABS interests are outstanding (§373.15(d)).

1. Consideration of the use of improved information technology:

Sponsors may use technology to the extent feasible and/or desirable or appropriate to make the required disclosures and to maintain the required records.

1. Efforts to identify duplication:

The information sought in this collection is not duplicated elsewhere.

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

There are no alternatives that would result in lowering the burden on small institutions, while still accomplishing the purpose of the rule.

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

The disclosure requirements are imposed on a per transaction basis as are the retention obligations. Less frequent disclosures would not be adequate to allow investors to evaluate the investment potential of each transaction. The requirement to develop policies and procedures to monitor compliance with regulatory requirements is a one-time burden, although the agencies expect that sponsors will review their policies and procedures as needed to reflect any changed conditions.

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

None. The information is collected in a manner consistent with 5 CFR Part 1320.5(d) (2).

1. Efforts to consult with persons outside the agency:

A 60-day notice seeking public comment on the FDIC’s renewal of the information collection was published on October 21, 2024 (89 FR 84134). No comments have been received.

1. Payment or gift to respondents:

No payments or gifts will be given to respondents.

1. Any assurance of confidentiality:

No assurances of confidentiality have been made in the Rule. The information will be kept private to the extent permitted by law.

1. Justification for questions of a sensitive nature:

None of the information required to be disclosed or maintained is of a sensitive nature.

1. Estimate of hour burden including annualized hourly costs:

**Methodology Used in 2021 ICR (Existing Methodology)**

Briefly, to determine the total PRA burden for the requirements contained in the Rule in the 2021 ICR, FDIC first estimated the universe of potential securitizers by identifying all FDIC-supervised IDIs that reported positive values on their Call Reports for either:

1. outstanding principal balance of assets sold and securitized with servicing retained or with recourse or other seller-provided credit enhancements;[[1]](#footnote-2) or
2. amount of loans and leases held for investment, net of allowance, and held for sale held by consolidated variable interest entities.[[2]](#footnote-3)

FDIC then searched each identified IDI’s name in a repository of ABS offerings (“deals”) maintained at FitchConnect[[3]](#footnote-4) and compiled a list of deals for which an IDI was listed as the issuer, sponsor, originator, or servicer of the offering. For IDIs where no deals were found, FDIC assumed that any IDI reporting at least $75 million in year-over-year growth in item (a) was a potential securitizer and identified 20 IDIs using this filter. FDIC then cross-referenced the full list of securitizing IDIs against FitchConnect’s list of ABS offerings and Intex’s database of prospectuses to determine the number of unique deals associated with each deal name.[[4]](#footnote-5) Finally, FDIC reviewed the prospectuses for each unique deal to determine whether the sponsor of each deal was an FDIC-supervised IDI or subsidiary of an FDIC-supervised institution.

**Cause for Change in Methodology**

There are three reasons for adopting a new burden estimation methodology. First, FitchConnect is being retired and the only available replacement site offered by Fitch does not appear to have the information necessary to use the existing methodology. Second, the existing methodology requires extensive involvement of examination experts at FDIC Regional Offices, while the new methodology described below can be implemented entirely by economist staff. Finally, in 2023, FDIC developed methodology that relies on a single data source (Intex) to identify and count securitizations sponsored by IDIs,[[5]](#footnote-6) while the existing methodology relies on three data sources (Call Reports, FitchConnect, and Intex).

**Estimated Number of Respondents, Responses and Time per Response (New Methodology)**

Potential respondents to this ICR are FDIC-supervised insured depository institutions (IDIs) including state nonmember banks, state savings institutions, insured state branches of foreign banks, and any subsidiary of the foregoing. As of March 31, 2024, the FDIC supervises 2,920 state nonmember banks, state savings institutions, and insured state branches of foreign banks. Of these 2,920 IDIs, 2,198 are small for the purposes of the Regulatory Flexibility Act (RFA).[[6]](#footnote-7)

The 25 ICs in this ICR are listed and briefly described in Table 1 below. Respondents to the ICs in this ICR are FDIC-supervised IDIs that are securitizers of ABS. To identify respondents to the ICs in this ICR FDIC downloaded securitization-level data from Intex covering approximately 36 months ending July 2024. Based on methodology previously devised to identify securitization sponsors (or equivalently, “deal sponsors”),[[7]](#footnote-8) FDIC-supervised IDIs listed in the Master Servicer field of the following deal types are considered respondents: auto loan/lease; non-performing/re-performing; and all other.[[8]](#footnote-9) FDIC identified two FDIC-supervised respondents in the Intex data, and identified 17 deals. FDIC reviewed the deals’ prospectuses by searching for the words “Credit Risk Retention” to find the section of the prospectus where the respondents described how they satisfied the requirements of Part 373, and then it matched the description to the applicable ICs. For example, if a deal prospectus described that the deal would meet the requirements of Part 373 by having the sponsor hold onto a five percent “horizontal interest,” FDIC matched that to the ICs that relate to horizontal interest (1 and 14). Based on this methodology, FDIC found two respondents and nine responses to ICs 1 and 14, and (the same) two respondents and eight responses to ICs 2 and 15 for the 36-month period ending July 2024. Neither respondent is small for purposes of the RFA.[[9]](#footnote-10) For deals comprised of residential mortgage-backed securities (RMBS) or commercial mortgage-backed securities (CMBS), FDIC searched for respondents by manually reviewing prospectuses from random samples equal to approximately one-third of all such RMBS and CMBS deals recorded in Intex during the three years ending July 2024. It did not identify any FDIC-supervised IDI as a respondent with respect to an RMBS or CMBS deal, nor did it identify any FDIC-supervised respondents to the remaining 21 ICs of this ICR.

Based on the information described in the previous paragraph, FDIC estimates one annual respondentand 3.0 responses per respondentper yearto ICs 1 and 14,[[10]](#footnote-11) and estimate one annual respondent and 2.666 responses per respondentper yearto ICs 2 and 15.[[11]](#footnote-12) To maintain the remaining ICs for which no FDIC-supervised respondent was identified, we use “placeholder” estimates of one annual respondent and one response per respondentper year. ICs with placeholder estimates are identified in Tables 1 and 2 by an asterisk (\*). In particular, ICs 4 and 17, relating to Revolving Master Trusts, had response estimates of six per year in the 2021 ICR but have placeholder estimates in this ICR because FDIC was unable to find any deals in Intex in the 36 months prior to July 2024 that contained the words “Revolving Master Trusts” in the “Credit Risk Retention” section of the prospectuses.

The estimated time per response varies by IC, these estimates are unchanged from the previous renewal.

The estimated annual burden, in hours, is the product of the estimated number of respondents, number of responses per respondent, and time per response, as summarized in Table 1 below. The total estimated annual burden for this IC is 332 hours (27 of which correspond to identified responses and 305 of which correspond to placeholder responses), a 44-hour reduction from the 2021 ICR, which reflects a reduction in the respondent and response counts to ICs 1, 2, 4, 14, 15, and 17.

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| Table 1. Summary of Estimated Annual Burden (OMB No. 3064-0183) | | | | | |
| Information Collection (IC) (Obligation to Respond) | Type of Burden (Frequency of Response) | Number of Respondents | Number of Responses per Respondent | Time per Response (HH:MM) | Annual Burden (Hours) |
| 1. §373.4(c)(1) Standard Risk Retention – Horizontal Interest (Mandatory) | Disclosure (On Occasion) | 1 | 3 | 05:30 | 17 |
| 2. §373.4(c)(2) Standard Risk Retention – Vertical Interest (Mandatory) | Disclosure (On Occasion) | 1 | 2.666 | 02:00 | 6 |
| 3. §373.4(c) Standard Risk Retention – Combined Interest\* (Mandatory) | Disclosure (On Occasion) | 1 | 1 | 07:30 | 8 |
| 4. §373.5 Revolving Master Trusts\* (Mandatory) | Disclosure (On Occasion) | 1 | 1 | 07:00 | 7 |
| 5. §373.6 Eligible ABCP Conduits\* (Mandatory) | Disclosure (On Occasion) | 1 | 1 | 03:00 | 3 |
| 6. §373.7 Commercial MBS\* (Mandatory) | Disclosure (On Occasion) | 1 | 1 | 20:45 | 21 |
| 7. §373.10 Qualified Tender Option Bonds\* (Mandatory) | Disclosure (On Occasion) | 1 | 1 | 06:00 | 6 |
| 8. §373.11 Allocation of Risk Retention to an Originator\* (Mandatory) | Disclosure (On Occasion) | 1 | 1 | 02:30 | 3 |
| 9. §373.13 Exemption for Qualified Residential Mortgages\* (Mandatory) | Disclosure (On Occasion) | 1 | 1 | 01:15 | 1 |
| 10. §373.15 Exemption for Qualifying Commercial Loans, Commercial Real Estate and Automobile Loans\* (Mandatory) | Disclosure (On Occasion) | 1 | 1 | 20:00 | 20 |
| 11. §373.16 Underwriting Standards for Qualifying Commercial Loans\* (Mandatory) | Disclosure (On Occasion) | 1 | 1 | 01:15 | 1 |
| 12. §373.17 Underwriting Standards for Qualifying Commercial Real Estate Loans\* (Mandatory) | Disclosure (On Occasion) | 1 | 1 | 01:15 | 1 |
| 13. §373.18 Underwriting Standards for Qualifying Automobile Loans\* (Mandatory) | Disclosure (On Occasion) | 1 | 1 | 01:15 | 1 |
| 14. §373.4(d) Standard Risk Retention – Horizontal Interest (Mandatory) | Recordkeeping (On Occasion) | 1 | 3 | 00:30 | 2 |
| 15. §373.4(d) Standard Risk Retention – Vertical Interest (Mandatory) | Recordkeeping (On Occasion) | 1 | 2.666 | 00:30 | 2 |
| 16. §373.4(d) Standard Risk Retention – Combined Interest\* (Mandatory) | Recordkeeping (On Occasion) | 1 | 1 | 00:30 | 1 |
| 17. §373.5 Revolving Master Trusts\* (Mandatory) | Recordkeeping (On Occasion) | 1 | 1 | 00:30 | 1 |
| 18. §373.6 Eligible ABCP Conduits\* (Mandatory) | Recordkeeping (On Occasion) | 1 | 1 | 20:00 | 20 |
| 19. §373.7 Commercial MBS\* (Mandatory) | Recordkeeping (On Occasion) | 1 | 1 | 30:00 | 30 |
| 20. §373.11 Allocation of Risk Retention to an Originator\* (Mandatory) | Recordkeeping (On Occasion) | 1 | 1 | 20:00 | 20 |
| 21. §373.13 Exemption for Qualified Residential Mortgages\* (Mandatory) | Recordkeeping (On Occasion) | 1 | 1 | 40:00 | 40 |
| 22. §373.15 Exemption for Qualifying Commercial Loans, Commercial Real Estate and Automobile Loans\* (Mandatory) | Recordkeeping (On Occasion) | 1 | 1 | 00:30 | 1 |
| 23. §373.16 Underwriting Standards for Qualifying Commercial Loans\* (Mandatory) | Recordkeeping (On Occasion) | 1 | 1 | 40:00 | 40 |
| 24. §373.17 Underwriting Standards for Qualifying Commercial Real Estate Loans\* (Mandatory) | Recordkeeping (On Occasion) | 1 | 1 | 40:00 | 40 |
| 25. §373.18 Underwriting Standards for Qualifying Automobile Loans\* (Mandatory) | Recordkeeping (On Occasion) | 1 | 1 | 40:00 | 40 |
| ***Total Annual Burden (Hours):*** | | | | | ***332*** |
| Source: FDIC. | | | | | |
| An “\*” indicates the IC uses placeholder values of one for the respondent count and number of responses per respondent. Note: The estimated annual IC time burden is the product, rounded to the nearest hour, of the estimated annual number of responses and the estimated time per response for a given IC. The estimated annual number of responses is the product, rounded to the nearest whole number, of the estimated annual number of respondents and the estimated annual number of responses per respondent. This methodology ensures the estimated annual burdens in the table are consistent with the values recorded in OMB’s consolidated information system. | | | | | |

**Total Labor Cost of Estimated Annual Burden**

To estimate the average cost of compensation per hour, I use the 75th percentile hourly wages reported by the Bureau of Labor Statistics (BLS) National Industry-Specific Occupational Employment and Wage Estimates (OEWS) for the relevant occupations in the Depository Credit Intermediation sector. However, the latest OEWS wage data are as of May 2023 and do not include non-wage compensation. To adjust these wages for use in the memo, I multiply the OEWS hourly wages by approximately 1.53 to account for non-wage compensation, using the BLS Employer Cost of Employee Compensation (ECEC) data as of March 2023 (the latest published release prior to the OEWS wage data). I then multiply the resulting compensation rates by approximately 1.04 to account for the change in the seasonally adjusted Employment Cost Index for the Credit Intermediation and Related Activities sector (NAICS Code 522) between March 2023 and March 2024.

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Table 2. Summary of Hourly Burden Cost Estimate (OMB No. 3064-0183) | | | | | | | | |
| Information Collection (IC) (Obligation to Respond) | Hourly Weight  (%) | Percentage Shares of Hours Spent by and  Hourly Compensation Rates for each Occupation Group  (by Collection) | | | | | | Estimated Hourly Compensation Rate |
|  |
| Exec. & Mgr. ($145.59) | Lawyer ($181.4) | Compl. Ofc. ($76.79) | IT ($110.5) | Fin. Anlst. ($99.92) | Clerical ($39.25) |  |
|  |
| 1. §373.4(c)(1) Standard Risk Retention – Horizontal Interest (Mandatory) (Disclosure) | 5.12 | 5 | 90 | 5 | 0 | 0 | 0 | $174.38 |  |
| 2. §373.4(c)(2) Standard Risk Retention – Vertical Interest (Mandatory) (Disclosure) | 1.81 | 5 | 90 | 5 | 0 | 0 | 0 | $174.38 |  |
| 3. §373.4(c) Standard Risk Retention – Combined Interest\* (Mandatory) (Disclosure) | 2.41 | 5 | 90 | 5 | 0 | 0 | 0 | $174.38 |  |
| 4. §373.5 Revolving Master Trusts\* (Mandatory) (Disclosure) | 2.11 | 5 | 90 | 5 | 0 | 0 | 0 | $174.38 |  |
| 5. §373.6 Eligible ABCP Conduits\* (Mandatory) (Disclosure) | 0.90 | 5 | 90 | 5 | 0 | 0 | 0 | $174.38 |  |
| 6. §373.7 Commercial MBS\* (Mandatory) (Disclosure) | 6.33 | 5 | 90 | 5 | 0 | 0 | 0 | $174.38 |  |
| 7. §373.10 Qualified Tender Option Bonds\* (Mandatory) (Disclosure) | 1.81 | 5 | 90 | 5 | 0 | 0 | 0 | $174.38 |  |
| 8. §373.11 Allocation of Risk Retention to an Originator\* (Mandatory) (Disclosure) | 0.90 | 5 | 90 | 5 | 0 | 0 | 0 | $174.38 |  |
| 9. §373.13 Exemption for Qualified Residential Mortgages\* (Mandatory) (Disclosure) | 0.30 | 5 | 90 | 5 | 0 | 0 | 0 | $174.38 |  |
| 10. §373.15 Exemption for Qualifying Commercial Loans, Commercial Real Estate and Automobile Loans\* (Mandatory) (Disclosure) | 6.02 | 5 | 90 | 5 | 0 | 0 | 0 | $174.38 |  |
| 11. §373.16 Underwriting Standards for Qualifying Commercial Loans\* (Mandatory) (Disclosure) | 0.30 | 5 | 90 | 5 | 0 | 0 | 0 | $174.38 |  |
| 12. §373.17 Underwriting Standards for Qualifying Commercial Real Estate Loans\* (Mandatory) (Disclosure) | 0.30 | 5 | 90 | 5 | 0 | 0 | 0 | $174.38 |  |
| 13. §373.18 Underwriting Standards for Qualifying Automobile Loans\* (Mandatory) (Disclosure) | 0.30 | 5 | 90 | 5 | 0 | 0 | 0 | $174.38 |  |
| 14. §373.4(d) Standard Risk Retention – Horizontal Interest (Mandatory) (Recordkeeping) | 0.60 | 10 | 30 | 20 | 10 | 0 | 30 | $107.16 |  |
| 15. §373.4(d) Standard Risk Retention – Vertical Interest (Mandatory) (Recordkeeping) | 0.60 | 10 | 30 | 20 | 10 | 0 | 30 | $107.16 |  |
| 16. §373.4(d) Standard Risk Retention – Combined Interest\* (Mandatory) (Recordkeeping) | 0.30 | 10 | 30 | 20 | 10 | 0 | 30 | $107.16 |  |
| 17. §373.5 Revolving Master Trusts\* (Mandatory) (Recordkeeping) | 0.30 | 10 | 30 | 20 | 10 | 0 | 30 | $107.16 |  |
| 18. §373.6 Eligible ABCP Conduits\* (Mandatory) (Recordkeeping) | 6.02 | 10 | 30 | 20 | 10 | 0 | 30 | $107.16 |  |
| 19. §373.7 Commercial MBS\* (Mandatory) (Recordkeeping) | 9.04 | 10 | 30 | 20 | 10 | 0 | 30 | $107.16 |  |
| 20. §373.11 Allocation of Risk Retention to an Originator\* (Mandatory) (Recordkeeping) | 6.02 | 10 | 30 | 20 | 10 | 0 | 30 | $107.16 |  |
| 21. §373.13 Exemption for Qualified Residential Mortgages\* (Mandatory) (Recordkeeping) | 12.05 | 10 | 30 | 20 | 10 | 0 | 30 | $107.16 |  |
| 22. §373.15 Exemption for Qualifying Commercial Loans, Commercial Real Estate and Automobile Loans\* (Mandatory) (Recordkeeping) | 0.30 | 10 | 30 | 20 | 10 | 0 | 30 | $107.16 |  |
| 23. §373.16 Underwriting Standards for Qualifying Commercial Loans\* (Mandatory) (Recordkeeping) | 12.05 | 10 | 30 | 20 | 10 | 0 | 30 | $107.16 |  |
| 24. §373.17 Underwriting Standards for Qualifying Commercial Real Estate Loans\* (Mandatory) (Recordkeeping) | 12.05 | 10 | 30 | 20 | 10 | 0 | 30 | $107.16 |  |
| 25. §373.18 Underwriting Standards for Qualifying Automobile Loans\* (Mandatory) (Recordkeeping) | 12.05 | 10 | 30 | 20 | 10 | 0 | 30 | $107.16 |  |
| ***Weighted Average Hourly Compensation Rate:*** | | | | | | | | ***$126.39*** |  |
| Source: Bureau of Labor Statistics: 'National Industry-Specific Occupational Employment and Wage Estimates: Industry: Credit Intermediation and Related Activities (5221 And 5223 only)' (May 2023), Employer Cost of Employee Compensation (March 2023), and Employment Cost Index (March 2023 and March 2024). Standard Occupational Classification (SOC) Codes: Exec. And Mgr = 11-0000 Management Occupations; Lawyer = 23-0000 Legal Occupations; Compl. Ofc. = 13-1040 Compliance Officers; IT = 15-0000 Computer and Mathematical Occupations; Fin. Anlst. = 13-2051 Financial and Investment Analysts; Clerical = 43-0000 Office and Administrative Support Occupations. | | | | | | | | |  |
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| Note: The estimated hourly compensation rate for a given IC is the average of the hourly compensation rates for the occupations used to comply with that IC, weighted by the estimated share of hours spent by each occupation. The weighted average hourly compensation rate for the entire ICR is the average of the estimated hourly compensation rates for all ICs, weighted by the share of hourly burden for IC. These hourly weights, as shown in the “Hourly Weight” column of this table, are the quotients of the estimated number of annual burden hours for each IC and the total estimated number of annual burden hours across all ICs. | | | | | | | | |  |
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**Total Estimated Cost Burden**

To estimate the average cost of compensation per hour, FDIC uses the 75th percentile hourly wages reported by the Bureau of Labor Statistics (BLS) National Industry-Specific Occupational Employment and Wage Estimates (OEWS) for the relevant occupations in the Depository Credit Intermediation sector. However, the latest OEWS wage data are as of May 2023 and do not include non-wage compensation. To adjust these wages for use in the memo, FDIC multiplies the OEWS hourly wages by approximately 1.53 to account for non-wage compensation, using the BLS Employer Cost of Employee Compensation (ECEC) data as of March 2023 (the latest published release prior to the OEWS wage data). It then multiplies the resulting compensation rates by approximately 1.04 to account for the change in the seasonally adjusted Employment Cost Index for the Credit Intermediation and Related Activities sector (NAICS Code 522) between March 2023 and March 2024.

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| Table 2. Summary of Hourly Burden Cost Estimate (OMB No. 3064-0183) | | | | | | | | |
| Information Collection (IC) (Obligation to Respond) | Hourly Weight  (%) | Percentage Shares of Hours Spent by and  Hourly Compensation Rates for each Occupation Group  (by Collection) | | | | | | Estimated Hourly Compensation Rate |
|  |
| Exec. & Mgr. ($145.59) | Lawyer ($181.4) | Compl. Ofc. ($76.79) | IT ($110.5) | Fin. Anlst. ($99.92) | Clerical ($39.25) |  |
|  |
| 1. §373.4(c)(1) Standard Risk Retention – Horizontal Interest (Mandatory) (Disclosure) | 5.12 | 5 | 90 | 5 | 0 | 0 | 0 | $174.38 |  |
| 2. §373.4(c)(2) Standard Risk Retention – Vertical Interest (Mandatory) (Disclosure) | 1.81 | 5 | 90 | 5 | 0 | 0 | 0 | $174.38 |  |
| 3. §373.4(c) Standard Risk Retention – Combined Interest\* (Mandatory) (Disclosure) | 2.41 | 5 | 90 | 5 | 0 | 0 | 0 | $174.38 |  |
| 4. §373.5 Revolving Master Trusts\* (Mandatory) (Disclosure) | 2.11 | 5 | 90 | 5 | 0 | 0 | 0 | $174.38 |  |
| 5. §373.6 Eligible ABCP Conduits\* (Mandatory) (Disclosure) | 0.90 | 5 | 90 | 5 | 0 | 0 | 0 | $174.38 |  |
| 6. §373.7 Commercial MBS\* (Mandatory) (Disclosure) | 6.33 | 5 | 90 | 5 | 0 | 0 | 0 | $174.38 |  |
| 7. §373.10 Qualified Tender Option Bonds\* (Mandatory) (Disclosure) | 1.81 | 5 | 90 | 5 | 0 | 0 | 0 | $174.38 |  |
| 8. §373.11 Allocation of Risk Retention to an Originator\* (Mandatory) (Disclosure) | 0.90 | 5 | 90 | 5 | 0 | 0 | 0 | $174.38 |  |
| 9. §373.13 Exemption for Qualified Residential Mortgages\* (Mandatory) (Disclosure) | 0.30 | 5 | 90 | 5 | 0 | 0 | 0 | $174.38 |  |
| 10. §373.15 Exemption for Qualifying Commercial Loans, Commercial Real Estate and Automobile Loans\* (Mandatory) (Disclosure) | 6.02 | 5 | 90 | 5 | 0 | 0 | 0 | $174.38 |  |
| 11. §373.16 Underwriting Standards for Qualifying Commercial Loans\* (Mandatory) (Disclosure) | 0.30 | 5 | 90 | 5 | 0 | 0 | 0 | $174.38 |  |
| 12. §373.17 Underwriting Standards for Qualifying Commercial Real Estate Loans\* (Mandatory) (Disclosure) | 0.30 | 5 | 90 | 5 | 0 | 0 | 0 | $174.38 |  |
| 13. §373.18 Underwriting Standards for Qualifying Automobile Loans\* (Mandatory) (Disclosure) | 0.30 | 5 | 90 | 5 | 0 | 0 | 0 | $174.38 |  |
| 14. §373.4(d) Standard Risk Retention – Horizontal Interest (Mandatory) (Recordkeeping) | 0.60 | 10 | 30 | 20 | 10 | 0 | 30 | $107.16 |  |
| 15. §373.4(d) Standard Risk Retention – Vertical Interest (Mandatory) (Recordkeeping) | 0.60 | 10 | 30 | 20 | 10 | 0 | 30 | $107.16 |  |
| 16. §373.4(d) Standard Risk Retention – Combined Interest\* (Mandatory) (Recordkeeping) | 0.30 | 10 | 30 | 20 | 10 | 0 | 30 | $107.16 |  |
| 17. §373.5 Revolving Master Trusts\* (Mandatory) (Recordkeeping) | 0.30 | 10 | 30 | 20 | 10 | 0 | 30 | $107.16 |  |
| 18. §373.6 Eligible ABCP Conduits\* (Mandatory) (Recordkeeping) | 6.02 | 10 | 30 | 20 | 10 | 0 | 30 | $107.16 |  |
| 19. §373.7 Commercial MBS\* (Mandatory) (Recordkeeping) | 9.04 | 10 | 30 | 20 | 10 | 0 | 30 | $107.16 |  |
| 20. §373.11 Allocation of Risk Retention to an Originator\* (Mandatory) (Recordkeeping) | 6.02 | 10 | 30 | 20 | 10 | 0 | 30 | $107.16 |  |
| 21. §373.13 Exemption for Qualified Residential Mortgages\* (Mandatory) (Recordkeeping) | 12.05 | 10 | 30 | 20 | 10 | 0 | 30 | $107.16 |  |
| 22. §373.15 Exemption for Qualifying Commercial Loans, Commercial Real Estate and Automobile Loans\* (Mandatory) (Recordkeeping) | 0.30 | 10 | 30 | 20 | 10 | 0 | 30 | $107.16 |  |
| 23. §373.16 Underwriting Standards for Qualifying Commercial Loans\* (Mandatory) (Recordkeeping) | 12.05 | 10 | 30 | 20 | 10 | 0 | 30 | $107.16 |  |
| 24. §373.17 Underwriting Standards for Qualifying Commercial Real Estate Loans\* (Mandatory) (Recordkeeping) | 12.05 | 10 | 30 | 20 | 10 | 0 | 30 | $107.16 |  |
| 25. §373.18 Underwriting Standards for Qualifying Automobile Loans\* (Mandatory) (Recordkeeping) | 12.05 | 10 | 30 | 20 | 10 | 0 | 30 | $107.16 |  |
| ***Weighted Average Hourly Compensation Rate:*** | | | | | | | | ***$126.39*** |  |
| Source: Bureau of Labor Statistics: 'National Industry-Specific Occupational Employment and Wage Estimates: Industry: Credit Intermediation and Related Activities (5221 And 5223 only)' (May 2023), Employer Cost of Employee Compensation (March 2023), and Employment Cost Index (March 2023 and March 2024). Standard Occupational Classification (SOC) Codes: Exec. And Mgr = 11-0000 Management Occupations; Lawyer = 23-0000 Legal Occupations; Compl. Ofc. = 13-1040 Compliance Officers; IT = 15-0000 Computer and Mathematical Occupations; Fin. Anlst. = 13-2051 Financial and Investment Analysts; Clerical = 43-0000 Office and Administrative Support Occupations. | | | | | | | | |  |
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| Note: The estimated hourly compensation rate for a given IC is the average of the hourly compensation rates for the occupations used to comply with that IC, weighted by the estimated share of hours spent by each occupation. The weighted average hourly compensation rate for the entire ICR is the average of the estimated hourly compensation rates for all ICs, weighted by the share of hourly burden for IC. These hourly weights, as shown in the “Hourly Weight” column of this table, are the quotients of the estimated number of annual burden hours for each IC and the total estimated number of annual burden hours across all ICs. | | | | | | | | |  |
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FDIC estimates the total annual cost burden for OMB 3064-0183 by multiplying the total annual estimated burden hours reported in Table 1 by the weighted average hourly compensation estimate reported in Table 2. The total annual cost burden is estimated as: 332 hours per year \* $126.39 = $41,961.This is a decrease of $216 from the 2021 ICR. The decrease is driven by decreases in the number of respondents and responses mentioned above, as well as a change in the methodology used to adjust compensation for inflation from the Consumer Price Index for all Urban Consumer to the Employment Cost Index for the Credit Intermediation and Related Activities sector.

|  |  |  |  |
| --- | --- | --- | --- |
| Table 3. Total Estimated Cost Burden (OMB No. 3064-0183) | | | |
| Information Collection Request | Annual Burden (Hours) | Weighted Average Hourly Compensation Rate | Annual Respondent Cost |
| Credit Risk Retention | 332 | $126.39 | $41,961 |
| ***Total Annual Respondent Cost:*** | | | ***$41,961*** |
| Source: FDIC. | | | |

1. Estimate of start-up cost to respondents:

There are no capital or start-up costs associated with this collection. In addition, there are no system and technology acquisition or operation and maintenance costs.

1. Estimates of annualized cost to the federal government:

None.

1. Analysis of change in burden:

See Section 12 above.

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

The information collected will not be published by the FDIC.

1. Exceptions to expiration date display

Not applicable.

1. Exceptions to certification:

There are no exceptions to certification.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.

1. Schedule RC-S, item 1 on forms 031 and 041; Supplemental Info, item 4(a) on form 051. [↑](#footnote-ref-2)
2. Schedule RC-V, item 1(c) on forms 031 and 041. [↑](#footnote-ref-3)
3. <https://app.fitchconnect.com>. We are not able to replicate the search performed in the 2021 ICR as it appears the search options referenced in the 2021 ICR have been changed. Also, a message bar on the site reads “Fitch Connect is being retired” as of August 12, 2024. FDIC attempted to search for “abs offerings” on <https://pro.fitchratings.com/>, the only other Fitch site to which it has access. However that search generated no results later than 2021. FDIC attempted to search for offerings on FitchConnect, however most of the results were from the 2000s. [↑](#footnote-ref-4)
4. Based on our use of the FitchConnect site and the 2021 ICR, FDIC believes FitchConnect may group multiple deals under a single name in some cases. [↑](#footnote-ref-5)
5. *See* <https://fdicgov.sharepoint.com/:w:/r/sites/DIR/OCE/RAS/Documents/04%20Information%20Collections/30640177%20-%20Securitization%20Safe%20Harbor/2023/1%20How%20you%20should%20count%20deals.docx?d=wfdd9a6dbdd34410286423f770d047c18&csf=1&web=1&e=ViwhJ3> [↑](#footnote-ref-6)
6. The Small Business Administration (SBA) defines a small banking organization as having $850 million or less in assets, where an organization’s “assets are determined by averaging the assets reported on its four quarterly financial statements for the preceding year.” See 13 CFR 121.201 (as amended by 87 FR 69118, effective December 19, 2022). In its determination, the “SBA counts the receipts, employees, or other measure of size of the concern whose size is at issue and all of its domestic and foreign affiliates.” See 13 CFR 121.103. Following these regulations, the FDIC uses an insured depository institution’s affiliated and acquired assets, averaged over the preceding four quarters, to determine whether the insured depository institution is “small” for the purposes of RFA. [↑](#footnote-ref-7)
7. *See supra* note 10. [↑](#footnote-ref-8)
8. All other includes securitizations backed by the following assets: small balance commercial, student loan, aircraft, equipment, manufactured housing, motorcycle, and power sports. [↑](#footnote-ref-9)
9. March 31, 2024, Call Report data. [↑](#footnote-ref-10)
10. Annual Respondents: (1 + 1 + 2) / three years = 1.3 annual respondents, rounded to one. Annual responses per respondent: nine deals / (three years \* one respondent) = 3.0 annual responses per respondent. [↑](#footnote-ref-11)
11. Annual Respondents (1 + 2 + 1) / three years = 1.3 annual respondents, rounded to one. Annual responses per respondent: eight deals / (three years \* one respondent) = 2.666 annual responses per respondent. [↑](#footnote-ref-12)