**Annual Stress Test Rule and**

**Company-Run Annual Stress Test Reporting Template and Documentation for Covered Institutions with Total Consolidated Assets of $250 Billion or More under the Dodd-Frank Wall Street Reform and Consumer Protection Act**

**Supporting Statement**

**OMB Control No. 1557-0319**

**A. Justification**

1. Circumstances Making the Collection of Information Necessary

Section 165(i)(2) of the Dodd-Frank Wall Street Reform and Consumer Protection Act[[1]](#footnote-2) (Dodd-Frank Act) requires certain financial companies, including national banks and federal savings associations, to conduct annual stress tests[[2]](#footnote-3) and requires the primary financial regulatory agency[[3]](#footnote-4) of those financial companies to issue regulations implementing the stress test requirements.[[4]](#footnote-5) Under section 165(i)(2), a covered institution is required to submit to the Board of Governors of the Federal Reserve System (Board) and to its primary financial regulatory agency a report at such time, in such form, and containing such information as the primary financial regulatory agency may require.[[5]](#footnote-6)

On October 9, 2012, the OCC published in the *Federal Register* a final rule implementing the section 165(i)(2) annual stress test requirement.[[6]](#footnote-7) This rule describes the reports and information collections required to meet the reporting requirements under section 165(i)(2). These information collections will be given confidential treatment (5 U.S.C. 552(b)(4)) to the extent permitted by law.

In 2012, the OCC first implemented the reporting templates referenced in the final rule.[[7]](#footnote-8) The OCC published proposed revisions to these templates on October 29, 2024.[[8]](#footnote-9) The OCC is now finalizing these proposed revisions as described below.

1. Purpose and Use of the Information Collection

The OCC uses the data collected through the current templates to assess the reasonableness of the stress test results of covered institutions and to provide forward-looking information to the OCC regarding a covered institution’s capital adequacy. The OCC also uses the results of the stress tests to determine whether additional analytical techniques and exercises could be appropriate to identify, measure, and monitor risks at the covered institution. The stress test results support ongoing improvement in a covered institution’s stress testing practices with respect to its internal assessments of capital adequacy and overall capital planning.

 The OCC’s changes include only limited updates, and the OCC reporting forms will substantially resemble the forms used by the OCC last year. The OCC’s changes include removing the CECL Supplemental Schedule from the reporting instructions. The CECL Supplemental Schedule was a one-time schedule that reporting banks provided the during the first submission cycle following their implementation of the ASU 2016-13 standards. This collection was implemented to identify the effect and timing of the adoption of CECL and the associated transition provisions, as provided by section 301 of the regulatory capital rules. As all firms have now adopted ASU 2016-13, this supplemental collection is not needed on a go-forward basis for modeling or analytic purposes. The proposed changes also include minor corrections and eliminating references to LIBOR, which is no longer a reference rate, in the reporting instructions.

1. Use of Improved Information Technology and Burden Reduction

Respondents may use any method of improved technology that meets the requirements of the collection.

1. Efforts to Identify Duplication and Use of Similar Information

The required information is unique and is not duplicative of any other information already collected.

1. Methods used to Minimize burden if the collection has a significant impact on Small Businesses or Other Small Entities

The information collection does not have a significant impact on a substantial number of small businesses or other small entities.

1. Consequences of Collecting the Information Less Frequently

The collection of information is required by federal statute. The consequences of collecting the information less frequently would prevent OCC from implementing Section 165(i)(2) of the Dodd-Frank Wall Street Reform and Consumer Protection Act.[[9]](#footnote-10)

1. Special Circumstances Relating to the Guidelines of 5 CFR 1320.5

The information collection would be conducted in a manner consistent with 5 CFR Part 1320.5.

1. Comments in Response to the Federal Register Notice and Efforts to Consult Outside the Agency

On October 29, 2024, the OCC published a notice for 60 days of comment concerning this collection, 89 FR 86079. The OCC received no comments on the proposed revisions.

1. Explanation of Any Payment or Gift to Respondents

OCC has not provided and has no intention to provide any payment or gift to respondents under this information collection.

1. Assurance of Confidentiality Provided to Respondents

The information collection request will be kept confidential to the extent permissible by law.

1. Justification for Sensitive Questions

There are no questions of a sensitive nature.

1. Estimates of Annualized Burden Hours and Costs

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Reporting Templates  | No. of Respondents | No. of Responses | Estimated average hours per Response | Total Hours |
| OCC DFAST-14A  | 4 annually 5 biennially | 1.5 |  443.33 | 2881.67 |
| **250B or More Template Total** |  |  |  | **2881.67** |

2881.67 x $129.40 = $372,888.10

To estimate wages the OCC reviewed May 2023 data for wages (by industry and occupation) from the U.S. Bureau of Labor Statistics (BLS) for credit intermediation and related activities (NAICS 5220A1). To estimate compensation costs associated with the rule, the OCC uses $129.40 per hour, which is based on the average of the 90th percentile for six occupations adjusted for inflation (4.3 percent as of Q1 2024), plus an additional 34.6 percent for benefits (based on the percent of total compensation allocated to benefits as of Q4 2023 for NAICS 522: credit intermediation and related activities).

1. Estimates of Other Total Annual Costs to Respondents and/or Recordkeepers:

None.

14. Annualized Cost to the Federal Government:

None.

15. Explanation for Program Changes or Adjustments

Prior Burden: 3,558 hours.

Proposed Burden: 2881.67 hours.

Difference: -676.33 hours.

The updated burden estimate reflects updates to the Board’s estimates and one additional respondent. The burden of completing the OCC’s reporting forms should be substantially covered by the burden of completing the Board’s FR Y-14A reporting form (OMB No. 7100-0341) since the OCC’s form is substantially similar to the Board’s. The OCC estimates there will be only a limited marginal burden to complete the OCC’s forms in addition to the FR Y-14A and accordingly estimates the marginal burden of completing the OCC reporting form as one-third of the Board’s estimated burden to complete the FR Y-14A (1,330 hours).

16. Plans for Tabulation and Publication and Project Time Schedule

There are no publications.

17. Reason(s) Display of OMB Expiration Date is Inappropriate

The agency is not seeking to display the expiration date of OMB approval of the information collection.

18. Exceptions to Certification for Paperwork Reduction Act Submissions

There are no exceptions to the certification.

B. Collections of Information Employing Statistical Methods

The collection of this information does not employ statistical methods. Statistical methods are not appropriate for the type of information collected and would not reduce burden or improve accuracy of results.

1. Pub. L. 111-203, 124 Stat. 1376, July 2010. [↑](#footnote-ref-2)
2. 12 U.S.C. 5365(i)(2)(A). [↑](#footnote-ref-3)
3. 12 U.S.C. 5301(12). [↑](#footnote-ref-4)
4. 12 U.S.C. 5365(i)(2)(C). [↑](#footnote-ref-5)
5. 12 U.S.C. 5365(i)(2)(B). [↑](#footnote-ref-6)
6. 77 FR 61238 (October 9, 2012) (codified at 12 CFR part 46). [↑](#footnote-ref-7)
7. *See* 77 FR 49485 (August 16, 2012) and 77 FR 66663 (November 6, 2012). [↑](#footnote-ref-8)
8. 89 FR 86079 (Oct. 29, 2024). [↑](#footnote-ref-9)
9. Public Law 111-203, 124 Stat. 1376, July 2010. [↑](#footnote-ref-10)