

SUPPORTING STATEMENT
ANNUAL INDEPENDENT AUDITS AND REPORTING REQUIREMENTS (PART 363)
(OMB Control No. 3064-0113)

INTRODUCTION

The Federal Deposit Insurance Corporation (FDIC) is requesting a three-year renewal, with revision, of the information collection titled, “Annual Independent Audits and Reporting Requirements” (3064-0113) imposed by Section 36 of the Federal Deposit Insurance Act (FDI Act) and the FDIC’s implementing regulations found at 12 CFR Part 363. The FDIC is revising this information collection to align the substance and burden of the previously approved collection with the changes described in the rulemaking titled “Adjusting and Indexing Certain Regulatory Thresholds” (Final Rule).¹

This information collection expires on February 28, 2026.

A. JUSTIFICATION

1. Circumstances that make the collection necessary:

Section 36 of the Federal Deposit Insurance Act (FDI Act) and the FDIC’s implementing regulations (Part 363) are generally intended to facilitate early identification of problems in financial management at insured depository institutions with total assets above certain thresholds through annual independent audits, assessments of the effectiveness of internal control over financial reporting and compliance with designated laws and regulations, the establishment of independent audit committees, and related reporting requirements.

In the Final Rule, the FDIC amended certain regulatory thresholds to reflect inflation from the date of those thresholds’ initial implementation or most recent adjustment. Specifically, final rule makes the following changes to part 363:

- The final rule updates the total asset threshold for the following provisions from \$500 million to \$1billion:
 - o 12 CFR 363.1(a), which provides the general applicability criteria for part 363.
 - o 12 CFR 363.5(a)(2), which establishes minimum audit committee requirements for IDIs with assets greater than \$500 million but less than \$1 billion. This threshold is referenced in part 363, Appendix A, paragraphs 27, 30(c), and 35(a).
- The final rule updates the total asset threshold for the following provisions in part 363 from \$1 billion to \$5 billion:

¹ 90 FR 55789, 55811 (December 4, 2025).

- o 12 CFR 363.2(b)(3), which requires management to provide an assessment of the effectiveness of ICFR as part of the part 363 annual report submission. This threshold is referenced in part 363, Appendix A, paragraphs 8A and 10, as well as part 363, Appendix B, paragraph 7.2(b).
- o 12 CFR 363.3(b), which requires the independent public accountant to examine, attest to, and report separately on management's assessment of ICFR. This threshold is referenced in part 363, Appendix A, paragraph 18A, as well as part 363, Appendix B, paragraph 2(b).
- o 12 CFR 363.4(a)(2), which requires publicly traded IDIs to submit copies of management's assessment of the effectiveness of ICFR in addition to its part 363 Annual Report.
- o 12 CFR 363.4(c)(3), which requires publicly traded IDIs to submit copies of independent accountant's letters and reports.
- o 12 CFR 363.5(a)(1), which establishes additional minimum audit committee requirements for IDIs with assets of greater than \$1 billion. This threshold is referenced in part 363, Appendix A, paragraphs 27, 30(b), and 35(b).
- o 12 CFR 363.5(a)(2), which establishes minimum audit committee requirements for IDIs with assets of greater than \$500 million but less than \$1 billion. This threshold is referenced in part 363, Appendix A, paragraphs 27, 30(c), and 35(a)
- The Final Rule updates other total asset thresholds in part 363 in the following provisions:
 - o 12 CFR 363.5(b), which establishes additional minimum audit committee composition requirements for IDIs with assets of greater than \$3 billion. This threshold is referenced in part 363, Appendix A, paragraph 35(c) and is increased to \$5 billion under the Final Rule.
 - o 12 CFR Part 363, Appendix A, paragraph 28(b)(4), which discusses criteria to determine if an outside director is "independent of management", including a \$100,000 maximum direct and indirect compensation threshold. The 2025 Final Rule increases this compensation threshold to \$120,000.

2. Use of the information:

The revised collection of information will require each insured depository institution that has consolidated total assets of \$1 billion or more to:

- (1) file an annual report with the FDIC and its appropriate federal and state banking regulators that includes audited financial statements, a statement of management's responsibilities, and an assessment by management of compliance with designated laws and regulations,
- (2) notify the FDIC when it selects or changes its independent public accountant, and
- (3) file any management letter, qualification, and other report issued by the independent public accountant pertaining to its financial reporting.

In addition, the annual report filed by an insured depository institution that has total assets of \$6 billion or more must include an assessment by management of the effectiveness of internal control over financial reporting and an auditor's report on internal control over financial reporting.

An interagency Policy Statement on External Auditing Programs of Banks and Savings Associations was approved on October 15, 1999. The Policy Statement encourages institutions with assets less than \$500 million to adopt an annual external auditing program, preferably a financial statement audit by an independent public accountant.

a. Insured Institutions with consolidated total assets of \$500 million or more.

The information collected in the Part 363 Annual Report, other reports, and the notice of selection or change in accountant is used by the FDIC and other federal and state banking agencies for supervisory/surveillance, regulatory, and informational purposes. The information is used in the offsite evaluation of the institutions and to determine the frequency and scope of examinations. The Part 363 Annual Reports are also available to the public.

b. Insured Institutions with assets less than \$1 billion.

The information provided in the external auditor's report and the notice of selection or change in external auditor is used by the FDIC and other federal and state banking agencies for supervisory/ surveillance, regulatory, and informational purposes. The information is used in the offsite evaluation of the institutions and to determine the frequency and scope of examinations.

3. Consideration of the use of improved information technology:

Respondents may use any information technology that permits review by FDIC examiners.

4. Efforts to identify duplication:

a. Insured Institutions with assets of \$1 million or more.

Much of the information in the Part 363 Annual Report and notice of selection or change in accountant is currently required to be filed by institutions and holding companies

registered under the Securities Exchange Act of 1934 (public companies) with the appropriate federal banking agency or the Securities and Exchange Commission (SEC). The requirements of Part 363 were developed so that institutions that are public companies or subsidiaries of public companies will be able to file identical information with the SEC and the FDIC, supplemented by the additional information required by the differing statutory mandates. With the updates to the thresholds in Part 363, some public traded insured depository institutions now may be required to file information with the SEC, but not with the FDIC under Part 363.

b. Insured Institutions with assets of less than \$1 billion.

For institutions registered under the Securities Exchange Act of 1934 with the appropriate federal banking agency, the information requested, such as the auditor's report and any notice of selection or change in accountant, is currently required to be filed. Other institutions are requested to submit the report that they obtain from the performance of their external auditing program and a notice of any change in auditors. However, they are not required to file any specific type of report, and may use the report required by the state or their by-laws under certain circumstances.

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

The collection of information does not have a significant impact on a substantial number of small institutions. As of December 31, 2024, there are 4,496 IDIs, of which 3,150 IDIs are considered "small" for purposes of the Regulatory Flexibility Act (RFA).² The count of covered IDIs, by the various consolidated total asset size cohorts, are as follows: 63 institutions with \$10 billion or more, 131 institutions with \$3 billion to less than \$10 billion, 346 institutions with \$1 billion to less than \$3 billion, and 476 institutions with \$500 million to less than \$1 billion (of which 307 institutions are considered small).

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

The frequency of collection is consistent with the statutory mandate in Section 36 of the FDI Act. Less frequent collection would result in non-compliance with the law. For institutions that are not subject to Section 36, an annual external auditing program is consistent with longstanding commercial practices in the banking industry.

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

None. This information collection is conducted in accordance with the guidelines in 5 CFR 1320.5(d)(2).

8. Efforts to consult with persons outside the agency:

The FDIC published the NPR in the Federal Register (90 FR 35449, July 28, 2025). The

² FDIC Call Report data, December 31, 2024.

comment period on the NPR closed on September 26, 2025.

The FDIC received several comments regarding the threshold adjustments. The FDIC did not receive any comments on the associated information collections or burden.

9. Payments or gifts to respondents:

None.

10. Any assurance of confidentiality:

Part 363 Annual Reports are available to the public. Other reports and notices filed under Part 363 and reports and notices filed under the Policy Statement are afforded confidential treatment. The FDIC will ensure that information will be kept private to the extent allowed by law. Any information deemed to be of a confidential nature would be exempt from public disclosure in accordance with the provisions of the Freedom of Information Act (5 U.S.C. 552).

11. Justification for questions of a sensitive nature:

The information collection does not request information of a sensitive nature.

12. Estimate of hour burden including annualized hourly costs:

Table 1. Summary of Estimated Annual Burden (OMB No. 3064-0113)					
Information Collection (IC) (Obligation to Respond)	Type of Burden (Frequency of Response)	Number of Respondents	Number of Responses per Respondent	Average Time per Response (HH:MM)	Annual Burden (Hours)
<i>Institutions with \$10 billion or More in Total Consolidated Assets</i>					
1. Annual Report, 12 CFR 363 (Mandatory)	Recordkeeping (Annual)	161	1	150:00	24,150
2. Annual Report, 12 CFR 363 (Mandatory)	Reporting (Annual)	161	1	150:00	24,150
3. Audit Committee Composition, 12 CFR 363 (Mandatory)	Recordkeeping (Annual)	161	1	03:00	483
4. Audit Committee Composition, 12 CFR 363 (Mandatory)	Reporting (Annual)	161	1	03:00	483

5. Filing of Other Reports, 12 CFR 363 (Mandatory)	Recordkeeping (Annual)	161	1	00:08	21
6. Filing of Other Reports, 12 CFR 363 (Mandatory)	Reporting (Annual)	161	1	00:08	21
7. Notice of Change in Accountants, 12 CFR 363 (Mandatory)	Recordkeeping (Annual)	40	1	00:15	10
8. Notice of Change in Accountants, 12 CFR 363 (Mandatory)	Reporting (Annual)	40	1	00:15	10
<i>Institutions with \$5 billion to less than \$10 billion in Total Consolidated Assets</i>					
9. Annual Report, 12 CFR 363 (Mandatory)	Recordkeeping (Annual)	136	1	125:00	17,000
10. Annual Report, 12 CFR 363 (Mandatory)	Reporting (Annual)	136	1	125:00	17,000
11. Audit Committee Composition, 12 CFR 363 (Mandatory)	Recordkeeping (Annual)	136	1	03:00	408
12. Audit Committee Composition, 12 CFR 363 (Mandatory)	Reporting (Annual)	136	1	03:00	408
13. Filing of Other Reports, 12 CFR 363 (Mandatory)	Recordkeeping (Annual)	136	1	00:08	18
14. Filing of Other Reports, 12 CFR 363 (Mandatory)	Reporting (Annual)	136	1	00:08	18

15. Notice of Change in Accountants, 12 CFR 363 (Mandatory)	Recordkeeping (Annual)	34	1	00:15	9
16. Notice of Change in Accountants, 12 CFR 363 (Mandatory)	Reporting (Annual)	34	1	00:15	9
<i>Institutions with \$1billion to less than \$5 billion in Total Consolidated Assets</i>					
17. Annual Report, 12 CFR 363 (Mandatory)	Recordkeeping (Annual)	727	1	12:30	9,088
18. Annual Report, 12 CFR 363 (Mandatory)	Reporting (Annual)	727	1	12:30	9,088
19. Audit Committee Composition, 12 CFR 363 (Mandatory)	Recordkeeping (Annual)	727	1	01:00	727
20. Audit Committee Composition, 12 CFR 363 (Mandatory)	Reporting (Annual)	727	1	01:00	727
21. Filing of Other Reports, 12 CFR 363 (Mandatory)	Recordkeeping (Annual)	727	1	00:08	97
22. Filing of Other Reports, 12 CFR 363 (Mandatory)	Reporting (Annual)	727	1	00:08	97
23. Notice of Change in Accountants, 12 CFR 363 (Mandatory)	Recordkeeping (Annual)	182	1	00:15	46
24. Notice of Change in Accountants, 12 CFR 363 (Mandatory)	Reporting (Annual)	182	1	00:15	46

<i>Institutions with less than \$1 billion of Total Consolidated Assets</i>					
25. Filing of Other Reports, 12 CFR 363 (Voluntary)	Recordkeeping (Annual)	3,472	1	00:15	868
26. Filing of Other Reports, 12 CFR 363 (Voluntary)	Reporting (Annual)	3,472	2	00:15	1,736
Total Annual Burden (Hours):					106,718
Source: FDIC.					

Annualized Cost of Internal Hourly Burden:

Table 2. Summary of Hourly Burden Cost Estimate (OMB No. 3064-0113)							
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. (\$149.41)	Lawyer (\$186.16)	Compl. Ofc. (\$78.8)	Fin. Mgr. (\$135.99)	Clerical (\$40.28)	
Institutions with \$10 billion or More in Total Consolidated Assets							
1. Annual Report, 12 CFR 363 (Mandatory)	22.63	15	5	5	25	50	\$89.80
2. Annual Report, 12 CFR 363 (Mandatory)	22.63	30	5	5	20	40	\$101.38
3. Audit Committee Composition, 12 CFR 363 (Mandatory)	0.45	15	5	5	25	50	\$89.80
4. Audit Committee Composition, 12 CFR 363 (Mandatory)	0.45	30	5	5	20	40	\$101.38
5. Filing of Other Reports, 12 CFR 363 (Mandatory)	0.02	50	5	5	20	20	\$123.21
6. Filing of Other Reports,	0.02	50	5	5	20	20	\$123.21

12 CFR 363 (Mandatory)							
7. Notice of Change in Accountants, 12 CFR 363 (Mandatory)	0.01	60	5	5	15	15	\$129.33
8. Notice of Change in Accountants, 12 CFR 363 (Mandatory)	0.01	60	5	5	15	15	\$129.33
<i>Institutions with \$5 billion to less than \$10 billion in Total Consolidated Assets</i>							
9. Annual Report, 12 CFR 363 (Mandatory)	15.93	15	5	5	25	50	\$89.80
10. Annual Report, 12 CFR 363 (Mandatory)	15.93	30	5	5	20	40	\$101.38
11. Audit Committee Composition, 12 CFR 363 (Mandatory)	0.38	15	5	5	25	50	\$89.80
12. Audit Committee Composition, 12 CFR 363 (Mandatory)	0.38	30	5	5	20	40	\$101.38
13. Filing of Other Reports, 12 CFR 363 (Mandatory)	0.02	50	5	5	20	20	\$123.21
14. Filing of Other Reports, 12 CFR 363 (Mandatory)	0.02	50	5	5	20	20	\$123.21
15. Notice of Change in Accountants, 12 CFR 363 (Mandatory)	0.01	60	5	5	15	15	\$129.33
16. Notice of Change in Accountants, 12 CFR 363 (Mandatory)	0.01	60	5	5	15	15	\$129.33
<i>Institutions with \$1 billion to less than \$5 billion in Total Consolidated Assets</i>							
17. Annual Report, 12 CFR 363 (Mandatory)	8.52	15	5	5	25	50	\$89.80
18. Annual Report, 12 CFR 363 (Mandatory)	8.52	30	5	5	20	40	\$101.38
19. Audit Committee	0.68	15	5	5	25	50	\$89.80

Composition, 12 CFR 363 (Mandatory)							
20. Audit Committee Composition, 12 CFR 363 (Mandatory)	0.68	30	5	5	20	40	\$101.38
21. Filing of Other Reports, 12 CFR 363 (Mandatory)	0.09	50	5	5	20	20	\$123.21
22. Filing of Other Reports, 12 CFR 363 (Mandatory)	0.09	50	5	5	20	20	\$123.21
23. Notice of Change in Accountants, 12 CFR 363 (Mandatory)	0.04	60	5	5	15	15	\$129.33
24. Notice of Change in Accountants, 12 CFR 363 (Mandatory)	0.04	60	5	5	15	15	\$129.33
<i>Institutions with less than \$1 billion in Total Consolidated Assets</i>							
25. Filing of Other Reports, 12 CFR 363 (Voluntary)	0.81	60	5	5	15	15	\$129.33
26. Filing of Other Reports, 12 CFR 363 (Voluntary)	1.63	60	5	5	15	15	\$129.33
<i>Weighted Average Hourly Compensation Rate:</i>							<i>\$96.52</i>
<p>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 December 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.</p> <p>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.</p>							

Total Estimated Annual Compliance Cost:

Table 3. Total Estimated Cost Burden (OMB No. 3064-0113)

Information Collection Request	Annual Burden (Hours)	Weighted Average Hourly Compensation Rate	Annual Respondent Cost
External Audits	106,718	\$96.52	\$10,300,421
Total Annual Respondent Cost:			\$10,300,421
Source: FDIC.			

13. Estimate of start-up costs to respondents:

None.

14. Estimate of annualized costs to the government:

None.

15. Analysis of change in burden:

Based on changes to the part 363 threshold, the FDIC estimates a total annual burden for OMB Control No. 3064-0113 of 106,718 hours, resulting in a burden decrease of 31,496 hours from the most recent PRA renewal.³

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

The results of this collection will not be published for statistical use.

17. Display of expiration date

Not applicable.

18. Exceptions to Certification

None.

B. STATISTICAL METHODS

Not Applicable.

³ FDIC External Audits, OMB No. 3064-0113, available at https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202207-3064-004.