

SUPPORTING STATEMENT
Financial Management Policies – Interest Rate Risk
OMB Control No. 1550-0094

A. JUSTIFICATION

1. Circumstances and Need

This information collection covers the recordkeeping burden for maintaining data in accordance with OTS's regulation on interest rate risk procedures, 12 CFR 563.176. The reporting burden for this regulation has been approved by OMB in the information collection entitled Thrift Financial Report, OMB Control No. 1550-0023. The reporting burden will remain in that collection because it is the reporting mechanism used for that information.

The purpose of the regulation is to ensure that institutions are appropriately managing their exposure to interest rate risk. To comply with this reporting requirement, institutions need to maintain sufficient records for determining how their interest rate risk exposure is being internally monitored and managed, and how their exposure compares with that of other institutions.

2. Use of Information Collected

OTS uses the information in connection with a model to advise savings associations in OTS's supervision of their activities related to interest rate risk.

3. Use of Technology to Reduce Burden

OTS encourages savings associations to use any advanced technology in this record-keeping effort.

4. Efforts to Identify Duplication

This information collection does not duplicate any other information collection.

5. Minimizing the Burden on Small Firms

There is little impact on small entities.

6. Consequences of Less Frequent Collection

OTS will be unable to determine whether an institution is managing its interest rate risk in a safe and sound manner absent this data.

7. Special Circumstances

The information collection is conducted in accordance with OMB's guidelines in 5 CFR Part 1320.

8. Consultation with Persons Outside the OTS

Notice of intent to renew this information collection was published in the Federal Register on February 22, 2011 (76 page 9870). OTS has not received any comments.

9. Payment of Respondents

No payments or gifts are made in connection with this information collection.

10. Confidentiality

Certain information is unavailable to the public, including: (1) information exempt from disclosure by statute or executive order; (2) information contained in or related to examination, operating, or condition reports prepared for OTS use; and (3) privileged information related to the business, personal, or financial affairs of any person furnished in confidence.

11. Information of a Sensitive Nature

No questions of a sensitive nature are required by the information collection.

12. Estimate of Annual Hour Burden

There are 727 respondents who are expected to collect information both on a quarterly and annual basis. The estimated response time is 8 hours. The total annual burden is estimated at 29,080 hours (collected 5 x 8 hours= 40 hours x 727 respondents= 29,080 hours).

13. Estimate of Annual Cost

OTS estimates no start-up costs for this effort.

14. Estimates of Annualized Cost to Government

The cost to the Federal Government of ensuring compliance with this recordkeeping requirement is minimal because each institution's records are reviewed during the process of regularly scheduled examinations.

15. Reason for Change in Burden

OTS is citing a reduction in the burden due to a reduction in the number of respondents in the amount of 4,200 hours as an adjustment.

16. Publication

The information will not be published.

17. Expiration Date

The record keeping involves no form on which an approval number would be displayed.

18. Exceptions

OTS has complied with all aspects of the certification.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.