

**Supporting Statement for
Interagency Statement on Complex Structured Finance Transactions
OMB Control No. 1557-0229**

The Office of the Comptroller of the Currency (OCC) is seeking an extension of its approval for the Interagency Statement on Sound Practices Concerning Elevated Risk Complex Structured Finance Activities (statement).¹ The statement describes the types of internal controls and risk management procedures that are particularly effective in helping financial institutions to identify and address the reputational, legal, and other risks associated with complex structured finance transactions.

A. Justification

1. Circumstances that make the collection necessary:

As financial intermediaries, financial institutions play a critical role in ensuring the integrity of financial markets and maintaining the trust and public confidence essential to the proper functioning of the capital markets. Structured finance products generally serve the legitimate business interests of customers and are an essential part of U.S. and international capital markets. Financial institutions need effective policies and procedures in place to identify those complex structured finance transactions that may involve heightened reputational and legal risk in order to ensure that the transactions receive enhanced scrutiny by the institution and that the institution does not participate in illegal or inappropriate transactions.

2. Use of the information:

A financial institution's policies and procedures should ensure that its operations are conducted in compliance with applicable law and regulations. This function is critical to the institution's sound operation because an institution may face substantial legal risk including enforcement action by an Agency and lawsuits by private parties if it participates in structured finance transactions that are used by a customer to circumvent regulatory or financial reporting requirements, evade tax liabilities, or further other illegal or improper behavior. The policies and procedures also help the institution avoid reputational risk associated with transactions that are structured to avoid substantive compliance with existing laws and regulations.

3. Consideration of the use of improved information technology:

Any existing technology relevant to producing or retaining the information may be used.

4. Efforts to identify duplication:

There is no duplication. This collection is unique in that it involves policies and procedures specific to a particular institution and appropriate to the types of structured finance transactions that the institution conducts.

¹ 71 FR 28326 (May 16, 2006).

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

This collection does not have a significant impact on a substantial number of small entities.

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

If the collection were conducted less frequently, it would hinder the ability to identify and address the reputational, legal, and other risks associated with complex structured finance transactions.

7. Special circumstances necessitating collection inconsistent with 5 CFR Part 1320:

Not applicable. This collection is conducted consistent with the guidelines in 5 CFR 1320.6.

8. Efforts to consult with persons outside the agency:

The OCC published a *Federal Register* notice for 60 days of comment on June 4, 2013 (78 FR 33469). No comments were received.

9. Payment to respondents:

None.

10. Any assurance of confidentiality:

No assurance of confidentiality is made.

11. Justification for questions of a sensitive nature:

There are no questions of a sensitive nature.

12. Burden estimate:

9 recordkeepers @ 1 response = 9 responses

9 responses @ 25 hours = 225 burden hours

The OCC estimates the cost of the hour burden to respondents as follows:

Clerical:	25% x 225	=	56.25	@ \$ 25 = \$	1,406.25
Managerial/Technical:	25% x 225	=	56.25	@ \$ 60 = \$	3,375.00
Senior Management /Professional	50% x 225	=	112.50	@ \$100 =	<u>\$ 11,250.00</u>
Total:					\$ 16,031.25

13. Estimates of annualized costs to respondents:

Not applicable.

14. Estimate of annualized costs to the government:

Not applicable.

15. Change in burden:

Former burden:

13 recordkeepers @ 1 response = 13 responses

13 responses @ 25 hours = 325 burden hours

Current burden:

9 recordkeepers @ 1 response = 9 responses

9 responses @ 25 hours = 225 burden hours

Difference:

- 4 recordkeepers; - 4 responses; - 100 burden hours

The change in burden is due to the decrease in the number of institutions involved in complex structured finance transaction activities.

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

The OCC has no plans to publish data for statistical purposes.

17. Display of expiration date:

Not applicable.

18. Exceptions to certification statement:

None.

B. Collections of Information Employing Statistical Methods

Not applicable.