

Supporting Statement for
OMB Control No. 1557-0014
Comptroller's Licensing Manual

INTRODUCTION

The Comptroller's Licensing Manual (Manual) sets forth the OCC's policies and procedures for the formation of a new national bank, Federal savings association (FSA) (hereafter "bank") or Federal branch or agency as well as entry into the Federal banking system by other institutions, and corporate expansion and structural changes by existing institutions. The Manual includes sample documents to assist applicants in understanding the types of information that the OCC needs to process a filing. An applicant may use the format of the sample documents or any other format that provides sufficient information for the OCC to act on a particular filing, including, for national banks, the OCC's e-Corp filing system.

Effective July 21, 2011, the OCC implemented several provisions of the Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010, P.L. 111–203 (Dodd–Frank). The following changes would integrate the OCC's national bank and Federal savings association rules relating to policies and procedures for corporate activities and transactions, revise some of these rules to eliminate unnecessary requirements or improve safety and soundness supervision, and make other technical and conforming changes.

For many rules, the integration would add the licensing provisions for Federal savings associations into the existing national bank rule. In other cases, the draft proposal would include separate rules for banks and savings association in 12 CFR part 5 because rules do not apply to both charters, are better organized as separate rules, or are difficult to integrate because of their differences and complexity. For those rules in part 5 without a savings association equivalent, changes will be made to bring the national bank rules consistent with the changes proposed for savings associations.

The changes contain both new and revised information collection requirements. Some of the revisions provide exceptions to existing requirements, which will result in a reduction of burden. Some of the amendments impose new requirements on Federal savings associations and amend the requirements for national bank. A number of the revisions involve amendments to definitions, which, in some cases, would affect the respondent count for related provisions. The changes do not create any new information collection requirements.

The changes to the information collection are as follows:

Fiduciary Powers

12 CFR 5.26 would be revised to require a national bank or Federal savings association that has not conducted previously approved fiduciary powers for 18 consecutive months to provide the OCC with 60 days' advance notice before engaging in the activities. It would also require that a national bank or Federal savings association that has received approval to offer limited fiduciary services apply to the OCC to offer full fiduciary services. A provision would be added setting out the circumstances under which a Federal savings association does not need to apply for fiduciary powers in connection with certain mergers.

Establishment, Acquisition, and Relocation of a Branch

12 CFR 5.31 would be revised to include Federal savings association and remove the filing exemption for certain branch establishments. As a result, the Federal savings association must file an application and seek prior approval for all branch establishments. Also, Federal savings associations would be required to file an application with the OCC to move a branch in the District of Columbia.

Investment in Bank Service Companies

12 CFR 5.35 would be expanded to cover Federal savings associations. It would eliminate the after-the-fact notice option and require an application for all investments in the equity of a bank service company or performing new activities in an existing bank service company.

Investments in Premises

12 CFR 5.37 would be expanded to cover Federal savings associations. In addition, an alternative, after-the-fact notice process would be added for both national banks and Federal savings associations and an exception to the premise application and notice requirements for investments in banking premises through a service corporation is provided for Federal savings associations. Amendments to the definitions of “capital stock” and “capital and surplus,” which would increase the amount that a Federal savings association could invest in banking premises without OCC approval, would result in a decrease in the number of requests for approval. Modifying, expanding, or approving such investments would require prior approval.

Main Office and Home Office Relocations

Federal savings associations would be required to submit prior notice to the OCC for home office relocations to a branch site in the same city, town, or village of the current home office and obtain prior approval for other relocations. They would also be required to obtain prior approval to establish a branch at the site of a former main or home office.

Change in Corporate Title

Federal savings associations would be required to submit an after-the-fact notice in place of the current 30-day prior notice.

Voluntary Liquidation

12 CFR 5.48 would be expanded to cover Federal savings associations. The liquidating agent or committee of the national bank or Federal savings association would be required to submit: a report to the appropriate OCC Licensing Office at the start of liquidation showing the bank’s or savings association’s balance sheet as of the start of liquidation; quarterly Call Reports; a report of condition at the start of the liquidation; annual progress reports; and a final report of liquidation.

Changes in Directors and Senior Executive Officers

Federal savings associations would be required to provide 90 days prior notice of a new director or senior executive officer, under certain circumstances, in place of the current shorter notice period. Only a Federal savings association would be permitted to file the notice; nominees no longer will be able to file.

Change in Address

Under certain circumstances, national banks and Federal savings associations would no longer be required to file a notice of home office change of address and Federal savings associations would no longer be required to provide notice of a post office box address.

Conversions

For conversions between a national bank and a Federal savings association, proposed § 5.25(e) requires the institution planning to convert to file a notice for the conversion-out aspect of the transaction with the OCC. Federal savings associations currently must file an application, unless they qualify for expedited review. The notice must contain a showing of its compliance with applicable requirements for converting from the Federal charter. The applicable “converting-in” regulation (§ 5.23 or § 5.24) would require the institution to file an application with the OCC with respect to the “converting-in” aspect of the transaction.

Proposed § 5.24(e)(2)(x) and § 5.23(d)(2)(ii)(J) would require the conversion application to include information about enforcement actions and other supervisory criticisms and the applicant’s analysis of whether conversion is permissible under 12 U.S.C. 35, as amended by section 612 of Dodd-Frank.

Proposed § 5.25(d)(3) would require that the information that must be submitted to the OCC when a national bank or Federal savings association plans to convert to a state bank or state savings association must include a discussion of the impact of any enforcement action on the permissibility of the conversion under 12 U.S.C. 214d or 1464(i)(6).

Sections 5.24(e)(2), 5.23(d)(2)(ii), 5.25(d)(3)(i), and 5.25(d)(3)(ii)(A) require that, at the time an insured depository institution files a conversion application, it must transmit a copy of the conversion application to both the appropriate Federal banking agency for the institution and the Federal banking agency that would become the appropriate Federal banking agency for the institution after the proposed conversion.

Service Corporations

Under the current service corporation regulation, a Federal savings association must file a notice under part 116 at least 30 days before establishing or acquiring a subsidiary or engaging in a new activity in a subsidiary. A Federal savings association is not required to file a service corporation application if the association proposes to make a noncontrolling investment in a service corporation. The proposal would amend the service corporation regulation at § 5.59 to require that a Federal savings association file with the OCC before acquiring or establishing any service corporation, including one that it would not control.

Propose to require a Federal savings association to provide 30 days' prior notice to the OCC when the savings association wants to redesignate an operating subsidiary as a service corporation.

A new requirement would be added to require each Federal savings association to file an annual report that includes, for each service corporation subsidiary that is not functionally regulated and does business with consumers in the United States, certain information including the name and principal place of business of the service corporation, the lines of business in which the service corporation subsidiary engages directly with consumers, and the nature of the parent savings association's interest in the service corporation subsidiary.

Operating Subsidiaries

Proposed § 5.38(b) would require an application to acquire an insured depository institution as an operating subsidiary. A proposal for a Federal savings association to own an insured depository institution subsidiary that would cause the savings association to be a bank holding company or a savings and loan holding company raises issues of law and policy as well as supervisory concerns. The acquisition of other insured depository institutions as operating subsidiaries also requires agency review. Accordingly, the OCC believes an application is needed, even if not required under 12 U.S.C. 1828(m).

Section § 5.38 (e)(1)(ii) would provide that if the activities performed at a location of an operating subsidiary (other than the home office of the savings association) include activities that would require the savings association to have approval for a branch office if the office were a direct office of the savings association, the savings association must obtain OCC approval for a branch office at that location, if it has not already been authorized as a branch. This requirement is new for Federal savings associations.

Section 5.38(e)(vi) would require a Federal savings association to provide 30 days prior notice to the OCC when the savings association wants to redesignate a service corporation as an operating subsidiary.

Section 5.38(e)(8) requires Federal savings associations to file an annual report on operating subsidiaries that do business directly with consumers in the United States and are not functionally regulated subsidiaries, which the OCC will make available to the public. National banks currently have this requirement.

Pass-Through Investments

Proposed § 5.58(e) would allow Federal savings association to make a pass-through investment, directly or through its operating subsidiary, in certain entities by filing a written after-the-fact notice or an application with the OCC

Business Combinations

The proposal would require an application if the whole entity purchase and assumption would

result in an increase in the asset size of the bank or savings association of twenty-five percent or more.

Section 5.33(g)(1), addressing the merger or consolidation of a national bank or a state bank into a national bank, would require that a national bank that will not be the resulting bank in a merger or consolidation with another national bank must file a notice to the OCC under § 5.33(k). This notice would also be required whenever a national bank or Federal savings association merges or consolidates into another institution. It provides the OCC information about the target national bank's compliance with requirements to "merge-out" and sets in motion the steps for the disappearing national bank to end its separate existence.

New § 5.33(g)(3), addressing consolidations and mergers of other institutions into a Federal savings association, would require application to the OCC and would require the Federal savings association to comply with requirements and procedures similar to those currently imposed on them.

Section 5.33(g)(7) would address a consolidation or merger of a Federal savings association into a state bank, state savings bank, state savings association, state trust company, or credit union and require only a notice to the OCC, not application and approval. This requirement is a change for Federal savings associations from § 163.22(c), under which an application is required for a combination with an uninsured bank, savings association or trust company or a credit union.

1. Justification:

The Manual contains all required procedures, sample forms, and regulations regarding OCC corporate approvals. The Manual is needed to standardize the OCC's processing of corporate filings, to ensure consistency in the recordkeeping and decision-making processes, and to provide information regarding the criteria generally considered by the OCC in reviewing a corporate filing.

The circumstances that make each element of this collection of information necessary are:

LICENSING MANUAL:

(a) Background Investigations

Interagency Biographical and Financial Report – Federal law and OCC regulations require the OCC to perform background investigations on proposed organizers, executive officers, directors, and principal shareholders of banks to determine if they have the experience, competence, integrity, character, financial ability and willingness to direct or lead a bank's affairs in a safe, sound, and legal manner. The OCC needs this information to accomplish that statutorily required task.

As part of its background investigations, the OCC performs standard background checks through the Internal Revenue Service Tax Check Program.

The following statutes and regulations apply:

Federal Law: 12 U.S.C. 21, 22, 24(Seventh), 26, 27, 92a, 93a, 1464(e)(1), 1814(b), 1816, 1817, and 2903

Regulatory Authority: 12 CFR 5.20, 5.50 and 5.51; 28 CFR 16.34, and 20.33. 12 CFR 163.33

- (b) Investment in Bank Premises - Federal law and OCC regulations require a national bank to submit an application to the OCC for prior approval whenever its investment in bank premises will cause it to exceed its capital stock. The application must describe the present and proposed investment and the business reason for exceeding the limit.

The following statutes and regulations apply:

Federal Law: 12 U.S.C. 29 and 371d

Regulatory Authority: 12 CFR 5.37, 7.1000, and 7.3001

- (c) Public Notice and Comments - Federal law and OCC regulations require an applicant to publish a public notice of its filing in a newspaper of general circulation in the community in which the applicant proposes to engage in business.

The following statutes and regulations apply:

Federal Law: 12 U.S.C. 1 et seq., 93a, 1817(j), and 18 U.S.C. 1001

Regulatory Authority: 12 CFR 5.8, 5.9, 5.10, 5.11, and 5.50

- (d) Charter

- (1) Charter - Federal law requires that the OCC approve the establishment of a national bank or FSA. The application, including a business plan and the oath of a bank director, serves as the primary vehicle for submission of the information necessary for the OCC's review. Under the statutes cited below, the OCC may grant or deny a request to organize a bank. The application is the single comprehensive source of information pertinent to this decision on an applicant's request.

The following statutes and regulations apply:

Federal Law: 12 U.S.C. 21, 22, 24(Seventh), 26, 27, 92a, 93a, 1464(a), 1814(b), 1816, and 2903

Regulatory Authority: 12 CFR 5.20

- (2) Corporate Organization – Federal law also requires that an existing or organizing bank forward to the OCC corporate organizational documents. The OCC's public website contains examples of the most common types of resolutions and amendments to articles of association, charter, proxy cards, bylaws, and an organization certificate. The OCC previously reported this information under the Corporate Organization booklet, which has been deleted from the Manual series.

All Federally-chartered savings associations are required to file and receive prior approval for changes to its charter and/or bylaws. The charter and bylaws of an insured FSA are formal documents created when a savings association establishes its corporate existence. The charter

states the scope, purpose and duration for the corporate entity. For a Federally-chartered savings association, the charter confirms that the board of directors has formally committed the institution to Section 5 of the Home Owners' Loan Act ("HOLA") and other applicable statutes and regulations governing Federally-chartered savings associations. The OCC will review the application or notice to determine compliance with the regulations and policy.

The following statutes and regulations apply.

Federal Law: 12 U.S.C. 21 and 21a

Regulatory Authority: 12 CFR 5.20, 5.21, 5.22, 5.25, and 5.33

- (3) Banker's Bank – OCC regulations require that a banker's bank seeking a waiver of a statutory provision must request the waiver in a letter to the OCC. The letter must include information on why the waiver is requested and supporting legal analysis. The granting of a waiver reduces burden. OCC regulations require the minimal amount of information necessary to make a determination as to whether a waiver should be granted.

The following related statutes and regulations apply:

Federal Law: 12 U.S.C. 1 et seq., 27

Regulatory Authority: 12 CFR 5.20

- (e) Conversions – Federal law requires that institutions request OCC permission to convert to a national bank or FSA. OCC regulations require that a converting financial institution provide information related to its request to convert its charter. The OCC needs this information to determine whether to grant permission.

The following statutes and regulation apply:

Federal Law: 12 U.S.C. 1 et seq., 35, 214a, 214b, 214c, and 1464(i)

Regulatory Authority: 12 CFR 5.23, 5.24, and 5.25

- (f) Federal Branches and Agencies – Federal law and OCC regulations require that a foreign bank desiring to establish a Federal branch or agency file an application or notice with the OCC. Prior to approval, the OCC must consider the potential effect on competition in domestic and foreign commerce in the United States, the financial and managerial resources and future prospects of the applicant foreign bank and the branch or agency, and the convenience and needs of the community to be served.

The OCC needs the information in the application or notice to consider the required decision factors in the statute. This application is the OCC's primary information source in conducting this assessment and is, therefore, essential to the OCC's decision making process.

The following statute and regulations apply:

Federal Law: 12 U.S.C. 3101 et seq.

Regulatory Authority: 12 CFR 5.70; 12 CFR 28

- (g) Branches and Relocations – Federal law requires that a bank obtain prior approval or give notice to the OCC to establish, acquire, or relocate a main office or branch. This section

contains required requests and other information essential to the OCC's decision-making process.

The following statutes and regulations apply:

Federal Law: 12 U.S.C. 1-42, 93a, 1464, 2901-2907, 16 U.S.C. 470 et seq., 42 U.S.C. 4321 et seq.

Regulatory Authority: 12 CFR 5.30, 5.31, 5.40, 5.52, and 145.91; 36 CFR 800.1 et seq., 40 CFR 1500.1 et seq.

- (h) Business Combinations and Failure Acquisitions – Federal law requires OCC approval for any merger, corporate reorganization, or acquisition of a failed institution that will result in a national bank or FSA. The OCC needs certain information to make the statutorily required decision. The interim national bank charter, the streamlined business combination, and Interagency Bank Merger Act applications provide necessary information relative to an applicant's request.

The following statutes and regulations apply:

Federal Law: 12 U.S.C. 24 (Seventh), 93a, 181, 214a, 214b, 215, 215a, 215a-1, 215a-2, 215a-3, 215c, 1462, 1462a, 1463, 1464, 1467a, 1815(a), 1815(d)(3), 1828(c), 1831u, 2901, 2903, Sec. 102 Pub. L. No. 103-328, and 1464(d)(2)&(3)

Regulatory Authority: 12 CFR 5.32, 5.33, and Part 163

- (i) Fiduciary Powers – Federal law requires that a bank intending to exercise fiduciary powers must have OCC approval. The application letter to exercise fiduciary powers provides the OCC with information needed to grant or deny a request. The letter represents the bank's conformity to statute and its commitment to retain qualified trust management. The OCC needs this information to make a valid decision. Additionally, a bank shall file a notice after opening a trust office in a state other than its home office state. This notice provides the OCC with the location of the bank's trust offices for supervisory purposes.

The following statute and regulation apply:

Federal Law: 12 U.S.C. 92a, 12 U.S.C. 1464(n)

Regulatory Authority: 12 CFR 5.26

- (j) Investment in Subsidiaries and Equities
 - (1) Operating Subsidiaries – OCC regulations require that a bank obtain OCC approval prior to establishing, acquiring, or performing new activities in an operating subsidiary. In certain instances, a national bank may file a notice after commencing an operating subsidiary activity. The application or notice provides the OCC with needed information regarding the activities and location(s) of the operating subsidiary.

The following statutes and regulation apply:

Federal Law: 12 U.S.C. 24(Seventh), 93a, and 1828(m)

Regulatory Authority: 12 CFR 5.34, 5.38, 5.39, and 5.58

- (2) Financial Subsidiaries – Federal law requires that a national bank obtain the approval of the OCC prior to acquiring control of, or holding an interest in, a financial subsidiary, and prior to commencing a new activity in an existing subsidiary. The OCC’s bases its approval solely upon the factors set forth in the statute and the regulation. A national bank that intends to acquire control of, or hold an interest in, a financial subsidiary, or to commence a new activity in an existing financial subsidiary, may obtain OCC approval through filing a certification with subsequent notice or a combined certification and notice. The notice provides the OCC with needed information to determine whether the national bank satisfies the factors set forth in the statute and regulation.

The following statutes and regulation apply:

Federal Law: 12 U.S.C. 24a, 15 U.S.C. 6801

Regulatory Authority: 12 CFR 5.39

- (3) Bank Service Companies – Federal law requires that under certain circumstances a bank must obtain the prior approval of the OCC to invest in a bank service company. OCC regulations require that a bank notify the OCC of its investment in certain bank service companies. The OCC needs this information to consider its decision.

The following statutes and regulation apply:

Federal Law: 12 U.S.C. 93a, 1861 to 1867, and 1843(c)(8)

Regulatory Authority: 12 CFR 5.35

- (4) Investments – OCC regulations require a national bank that wishes to invest in an agricultural credit corporation, an eligible savings association, or any other equity investment authorized by statute after February 12, 1990 to provide notice to the appropriate OCC district office. The regulation also requires that a national bank or a Federal branch making a noncontrolling investment, directly or through an operating subsidiary, must file a written notice or application. The regulations further require a Federal savings association making a pass-through investment, directly or through its operating subsidiary, to file an after-the-fact notice or an application. The OCC uses the information to make its decision.

The following statutes and regulation apply:

Federal Law: 12 U.S.C. 24(Seventh) and 93a

Regulatory Authority: 12 CFR 5.36 and 5.58

- (5) Thrift Service Corporations – OCC regulations require that a FSA obtain OCC approval prior to establishing or acquiring a subsidiary or performing new activities in a thrift service corporation. The application provides the OCC with needed information regarding the activities and location(s) of the subsidiary.

The following statutes and regulation apply:

Federal Law: 12 U.S.C. 1464(c)(4)(B) and 1828(m)

Regulatory Authority: 12 CFR 5.59

- (6) Annual Report – The OCC requires that each national bank and Federal savings association prepare an annual report as of December 31 on its operating subsidiaries and/or service corporations, and file the report by January 31 of each year. This annual report helps consumers identify subsidiaries that do business directly with consumers, use trade names different from their parent bank or savings association, and are subject to the OCC’s supervisory authority.

The following statutes and regulation apply:

Federal Law: 12 U.S.C. 24(Seventh) and 93a

Regulatory Authority: 12 CFR 5.34, 5.38, and 5.59

- (k) Branch Closings – Federal law requires a bank to notify the OCC if it closes a branch or if it converts a brick and mortar branch to an ATM branch. The notice serves as the OCC's primary method for gathering information necessary to cancel branch certificate numbers and update its database.

The following statutes and regulation apply:

Federal Law: 12 U.S.C. 1831r-1

- (l) Termination of National Bank or FSA Charter – OCC regulations require a bank to notify the OCC of its intent to voluntarily liquidate or convert out of the national bank or FSA charter. The notice serves as the OCC's primary method for gathering information necessary to update its database.

The following statutes and regulation apply:

Federal Law: 12 U.S.C. 93a, 181, 182, 2901 et seq. 12 U.S.C. 1464(d)(3)(A)

Regulatory Authority: 12 CFR 5.25 and 5.48

- (m) Capital and Dividends; Subordinated Debt – Federal law and OCC regulations require that a bank obtain OCC approval or, in some cases, provide notice to the OCC in connection with a change in equity capital, an issuance or prepayment of subordinated debt, and the payment of dividends under certain circumstances. The various applications titled, "Increase in Capital for Other than Cash," "Reduce Permanent Capital," "Reverse Stock Split," "Dividend-in-Kind," "Quasi-Reorganization," "Mandatorily Redeemable Preferred Stock," and "Issue or Prepay Subordinated Debt" are the primary documents necessary for the OCC to decide whether to grant preliminary approval for a bank's request to change permanent capital or issue subordinated debt.

The following statutes and regulations apply:

Federal Law: 12 U.S.C. 21a, 51, 51a, 51b, 51b-1, 52, 56, 57, 59, 60, and 93a

Regulatory Authority: 12 CFR 5.46, 5.47, 5.55, 5.56, 5.60, 5.61, 5.62, 5.63, 5.64, 5.65, 5.66, and 5.67

- (n) Change in Control – Federal law requires any individual, group, or company that

proposes to acquire control of a bank to submit prior notice of that intent to the OCC. The OCC uses the information to make its decision.

The following statutes and regulation apply:

Federal Law: 12 U.S.C. 93a and 1817(j)

Regulatory Authority: 12 CFR 5.50

- (o) Change in Chief Executive Officer and Director – Federal law requires that whenever a change in control occurs, the national bank will promptly report to the appropriate Federal banking agency any changes or replacements of its chief executive officer or of any director occurring in the next 12-month period.

The following statute and regulation apply:

Federal Law: 12 U.S.C. 1817(j)

Regulatory Authority: 12 CFR 5.50(h)

- (p) Director Waivers – Federal law requires that every director be a citizen of the United States and that a majority of the directors reside in the state where the bank is located. The OCC may waive the requirement of citizenship for not more than a minority of the total number of directors and the residency requirement for a majority or all of the directors. A bank may file a letter requesting a waiver of the citizenship or residency requirements. The OCC needs this information to make an informed decision.

The following statute applies:

Federal Law: 12 U.S.C. 72

Regulatory Authority: 12 CFR 100.2

- (q) Change of Corporate Title and Address – Federal law and OCC regulations require a national bank that changes its corporate title or address to inform the OCC of that change. FSAs must obtain prior approval from the OCC. The filing serves as the OCC's primary method for gathering the information to keep the national bank and FSA databases up to date.

The following statutes and regulations apply:

Federal Law: 12 U.S.C. 21a, 22, 30, 31, 93a, 161 and 481

Regulatory Authority: 12 CFR 5.20, 5.31, 5.40, 5.42, and 5.52

- (r) Management Interlocks – National banks and FSAs may apply to the OCC for exemption from the prohibitions on management interlocks that would result in a monopoly or substantial lessening of competition. The OCC needs the information in the application to grant appropriate exemptions that foster competition between unaffiliated institutions.

The following statutes and regulations apply:

Federal Law: 12 U.S.C. 3201-3208

Regulatory Authority: 12 CFR 26.6 and Part 196

- (s) Customer Satisfaction Survey – This survey information is collected as part of the OCC’s quality assurance program. The OCC uses this information to evaluate its efforts in meeting its continuing goal of providing the best service possible to individuals and banks that file corporate applications. The OCC reviews each voluntary survey returned by an applicant in order to evaluate agency efforts to improve customer satisfaction and provide the best possible corporate activity services.
- (t) Change in Asset Composition – The OCC regulations require a national bank to obtain prior written approval for a change in the composition of all, or substantially all, of the bank’s assets either through the sale or other disposition of assets. Prior written approval also is required if a national bank, once having disposed of all or substantially all the assets, reactivates its operations through the subsequent purchase, acquisition, or other expansion of its operations. This includes acquiring assets by any means, including generating new assets through the bank’s own efforts. The OCC needs this information to assess the impact of the transaction on the safety and soundness of the bank and its effect on the bank’s customers.

The following regulation applies:

Federal Law: 12 U.S.C. 93a and 1818

Regulatory Authority: 12 CFR 5.53

2. Use of the information:

Bankers and other interested parties use the Manual to determine where and how to file an application and to identify the regulatory requirements affecting corporate changes. Bankers, other interested persons, and OCC personnel use the Manual to further their understanding of the corporate activities filing processes and timeframes. The Manual is the primary procedural guide for OCC personnel.

The information collected in the notifications and forms assists the OCC in fulfilling its statutory responsibility as a supervisor. The regulatory agency uses the information to evaluate the controlling owners, senior officers, and directors of the insured depository institutions subject to their oversight.

The uses of these collections of information are as follows:

(a) Background Investigations:

Interagency Biographical and Financial Report – The OCC uses the biographical information to evaluate the competence, experience, character, integrity, and financial ability of the persons proposed as organizers, senior executive officers, directors, or principal shareholders. The OCC uses the financial information to evaluate the financial ability of persons proposed as organizers, executive officers, directors, or principal shareholders.

(b) Investment in Bank Premises – The OCC uses the application to determine whether to

grant or deny a national bank's request to invest further in its premises. The OCC uses the notice to monitor and supervise any investment in bank premises over regulatory limits.

- (c) Public Notice and Comments – The public and consumer groups use this public notice to determine if they wish to offer comments about a bank's regulatory performance. The OCC takes into consideration comments submitted from the public in its decision making process.
- (d) Charters – The OCC uses the application to determine whether to grant a request to organize a bank. A group requesting approval to organize a bank uses the sample application and business plan to ensure that they submit all information needed to evidence compliance with the laws cited in Item 1(d). By analyzing the information submitted, OCC can make a decision based on whether all legal requirements are met and how changes affect the proposal.

The OCC uses the corporate organization submissions to ensure that all amendments are lawful and that the shareholders have authorized the necessary amendments. Bankers use the sample charter, bylaws, resolutions, amendments, and certification of articles of association as models of how to advise the OCC of changes to the articles of association, charter, or bylaws of a national bank or FSA.

The OCC uses the waiver request letter to determine whether to grant a waiver to a bankers' bank. The Manual requires the minimal amount of information necessary for the OCC to consider the request and render a decision.

- (e) Conversions – The OCC uses the application to determine whether to grant or deny a financial institution's request to convert to a national bank or FSA.
- (f) Federal Branches and Agencies – The OCC uses the application to decide whether to approve a request from a foreign bank to establish a Federal branch or agency or to make a noncontrolling equity investment. The information enables the OCC to analyze factors such as proposed directors and principal officers, capital structure, the effects on competition, convenience and needs of the community, community reinvestment plans, and environmental impact. Bankers use the samples as guides in the submission of required information.
- (g) Branches and Relocations – The OCC uses the various branch applications and branch and main office relocations to evaluate the proposed expansion for legal and prudent purposes.
- (h) Business Combinations and Failure Acquisitions – The OCC uses the various applications to decide whether to grant or deny a bank's proposal to combine with or acquire another depository institution.
- (i) Fiduciary Powers – The OCC uses the application letter to determine whether to grant or

deny a bank's request to exercise fiduciary powers.

- (j) Investment in Subsidiaries and Equities:
 - (1) Operating and Financial Subsidiaries – The OCC uses the application or notice to determine if the proposed activity is permissible for national bank and FSA operating subsidiaries and national bank financial subsidiaries.
 - (2) Bank Service Companies – The OCC uses the application to determine if the national bank's investment in a bank service company is permissible.
 - (3) Investments – The OCC uses the application or notice to determine if the proposed activity is authorized for national banks, Federal savings associations, Federal branches and their subsidiaries.
 - (4) Thrift Service Corporations – The OCC uses the application or notice to determine if the FSA's investment in a service corporation and the activity of the service corporation are permissible.
 - (5) Annual Report – The OCC uses the Annual Subsidiary Report to assist consumers (the public) in determining if an entity is an operating subsidiary of a national bank or FSA or a service corporation of an FSA and thus is supervised by the OCC.
- (k) Branch Closings – The OCC uses the notice to update its listing of the number of branch offices operated by banks and to test compliance with certain statutory requirements, such as the Community Reinvestment Act (CRA), which must be met before the OCC can approve various types of corporate activities.
- (l) Termination of National Bank or FSA Charter – The OCC uses the termination notice to monitor the orderly closing or charter conversion of a national bank or FSA.
- (m) Capital and Dividends; Subordinated Debt – The OCC uses the application to determine whether to grant or deny a request to change capital. The OCC uses the various notifications to determine that the change occurred and complied with legal and regulatory requirements.
- (n) Change in Control – The OCC uses the notice to decide whether to allow or disapprove a proposed acquisition, using the regulatory decision criteria including future prospects.
- (o) Change in Chief Executive Officer or Director – The OCC uses the notice to monitor any change in management officials or members of the board of directors subsequent to a change in control.
- (p) Director Waivers – The OCC uses the notice to determine whether to grant a request for a waiver of the requirements.

- (q) Change of Corporate Title and Address – The OCC uses this information to maintain current records for regulatory and supervisory mailings.
- (r) Management Interlocks – The OCC uses the information to assess whether a proposed management interlock is permitted under statute or eligible for an exemption under section 2210(c) of the Economic Growth and Regulatory Paperwork Reduction Act of 1996, and whether it has an anticompetitive effect.
- (s) Customer Satisfaction Survey – The OCC uses survey information to identify areas where it can improve its processing of corporate applications and service to banks. OCC personnel use the information to identify problem areas and to analyze, as appropriate, the practices and procedures in those areas. Further, OCC personnel use the information to design improved methods, as applicable.
- (t) Change in Asset Composition – The OCC uses the information to assess impact to the institution’s safety and soundness and any effect on customers.

3. Consideration of the use of improved information technology:

Presently, national banks may use e-Corp, a Web-based electronic application, to submit electronically certain types of filings to the OCC for decision. Authorized users at each national bank access electronic forms through the OCC’s BankNet web site and submit electronically certain licensing filings to the OCC. Those filings are branch establishment, main office or branch relocation, capital, dividends, operating and financial subsidiary, corporate title, and change of address.

4. Efforts to identify duplication:

Each submission is unique to the situation of the individual national bank or FSA. The procedures in the Manual were established to use, wherever possible, information that is already available to the OCC. For example, in business combinations, a streamlined procedure has been initiated to use Call Reports on file as well as the records available at the OCC for existing bank managers and directors. Because the OCC does not require a national bank or FSA to submit information in any particular format, in some circumstances, an institution may determine that it has prepared similar information for another purpose. The OCC will accept any filing that clearly provides the required information. The OCC may accept an application form submitted to another Federal agency if the application contains substantially the same information that the OCC requires. An applicant also may incorporate by reference any material contained in any other application filed with the OCC, provided the material is attached to the application and is current and responsive to the information requested. The filing must clearly indicate that the information is incorporated by reference and include a citation to the information incorporated.

5. Minimizing burden on small entities:

The burden for this collection has been reduced to the minimum possible under the governing statutes and in keeping with OCC's supervisory responsibilities. Only the information necessary

for the OCC to fulfill its statutory responsibilities for any bank, regardless of size, is requested.

6. Consequences of less frequent collection:

The information is collected infrequently - only as the situation arises. Statutory or regulatory requirements govern these information collections. Less frequent collection is inconsistent with the underlying statutes and would not promote a safe and sound banking system.

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

For the most part, the collections of information are conducted in a manner consistent with the guidelines in 5 CFR 1320.6. In two instances, more copies are required than the original and two provided in OMB's guidelines. Those instances are discussed below:

- (a) Business Combinations – With one exception, this item is collected in a manner consistent with the guidelines in 5 CFR 1320.6. A national bank or FSA requesting OCC approval to merge, consolidate, or engage in a purchase and assumption must submit the original and two copies of the application package. Federal law at 12 U.S.C. 1828(c) requires that the OCC request reports on the competitive factors from the Attorney General, before approving any consolidation, corporate reorganization, or purchase and assumption. The remaining copy is used as the public file while the original becomes the OCC's application file.
- (b) Change in Control – This item is collected in a manner consistent with the guidelines in 5 CFR 1320.6, with the exception of the number of copies requested. The OCC requires an original and five copies. Federal law at 12 U.S.C. 1817(j) requires the OCC to distribute a copy of the notice to the other Federal banking agencies and to issue rules and regulations to carry out that responsibility. The copies required are the minimum necessary for OCC to timely comply with 12 U.S.C. 1817(j)(11) regarding the distribution of the information to appropriate Federal agencies for their review and recommendations, and to permit the OCC simultaneous review and processing in the district and in Washington, D.C. Only rapid dissemination to the other agencies permits the OCC to meet the 60-day time limit for decision. The copies are distributed as follows:
 1. Federal Reserve Bank
 2. Federal Deposit Insurance Corporation
 3. State Regulatory Agency
 4. OCC (Public File)
 5. OCC (Original for Processing)

8. Consultation with persons outside the agency:

The OCC issued a 60-day *Federal Register* Notice seeking comment on the collection. 78 FR 50491 (August 19, 2013). No comments were received.

9. Payment or gift to respondents:

None.

10. Any assurance of confidentiality:

Generally, no assurance of confidentiality is provided. The OCC's policy on confidentiality is in 12 CFR 5.9 and 116.35. However, in the following instances, the OCC may treat information as confidential:

Background Investigations: Interagency Biographical and Financial Report – Biographical information is considered confidential. Responses to questions in the application that are considered confidential are marked confidential, separated from the public information, and retained in a confidential file for OCC review only. Financial information is considered confidential. Responses to questions in the application that are considered confidential are marked confidential, separated from the public information, and retained in a confidential file for OCC review only.

- (a) Conversions – If the applicant requests, financial and competitive information may be considered confidential.
- (b) Business Combinations and Failure Acquisitions – If the applicant requests, financial and competitive information may be considered confidential.

11. Information of a sensitive nature:

There are no questions of a sensitive nature.

12. Burden estimate:

| Information Collection | No. of Respondents | No. of Responses | Hours per Response | Estimated Total Burden |
|---|---|-------------------------|---------------------------|-------------------------------|
| (a) Background Investigations (Interagency Biographical and Financial Report) | 450 | 450 | 4.00 | 1,800 |
| (b) Investment in Bank Premises | 150 | 150 | 1.30 | 195 |
| (c) Public Notice and Comments | burden is included in specific activity | | | |
| (d)(1) Charter | 2 | 2 | 250.00 | 500 |
| (d)(2) Corporate Organization | 73 | 73 | 0.45 | 33 |
| (e) Conversions | 5 | 5 | 4.00 | 20 |
| (f) Federal Branches and Agencies | 5 | 5 | 37.30 | 187 |
| (g) Branches & Relocations; Transfer of A/L | 1,072 | 1072 | 1.48 | 1,587 |
| (h) Business Combinations and Failure Acquisitions | 159 | 159 | 30.00 | 4,770 |
| (i) Fiduciary Powers | 14 | 14 | 3.10 | 43 |
| | 2 | 2 | 27.00 | 54 |
| (j)(1) Operating Subsidiaries | 136 | 136 | 1.00 | 136 |
| (j)(2) Financial Subsidiaries | 4 | 4 | 1.00 | 4 |
| (j)(3) Bank Service Companies | 1 | 1 | 1.00 | 1 |
| (j)(4) Investments | 9 | 9 | 1.00 | 9 |
| (j)(5) Thrift Service Corporations | 1 | 1 | 0.15 | 0.15 |
| (j)(6) Annual Report | 27 | 27 | 3.00 | 81 |
| (k) Branch Closings | 983 | 983 | 1.00 | 983 |
| (l) Termination of National Bank or FSA Charter | 65 | 65 | 3.58 | 233 |
| | 43 | 43 | 24.00 | 1,032 |
| (m) Capital & Dividends; Subordinated Debt | 174 | 174 | 1.30 | 226 |
| (n) Change in Control | 10 | 10 | 30.00 | 300 |
| (o) Change in CEO and Director | 1 | 1 | 2.00 | 2 |
| (p) Director Waivers | 25 | 25 | 2.00 | 50 |
| (q) Change of Corporate Title & Address | 233 | 233 | 0.22 | 51 |
| (r) Management Interlocks | 4 | 4 | 2.20 | 9 |
| (s) Customer Satisfaction Survey | 205 | 205 | 0.30 | 62 |
| (t) Change in Asset Composition | 26 | 26 | 4.50 | 117 |
| Total Estimated Burden | 3,879 | | | 12,485 |

The cost of the hour burden is as follows:

| Information Collection | Wage Category | Total Burden Hours | Burden Hours by Wage Category | Wage Rate | Total Cost of Hour Burden |
|---|---|---------------------------|--------------------------------------|-------------------------------|---|
| (a) Background Investigations (Biographical and Financial Report) | 100% sr mgmt | 1,800 | 1,800 | \$80 | \$144,000 |
| (b) Investment in Bank Premises | 20% clerical 80% middle mgmt | 195 | 39 156 | \$20 \$40 | \$780 \$6,240 |
| (d)(1) Charter | 30% clerical 20% middle mgmt 35% sr mgmt 15% counsel | 500 | 150 100 175 75 | \$20 \$40 \$80 \$100 | \$3,000 \$4,000 \$14,000 \$7,500 |
| (d)(2) Corporate Organization | 80% clerical 20% sr mgmt | 33 | 26 7 | \$20 \$80 | \$520 \$560 |
| (e) Conversions | 30% clerical 20% middle mgmt 35% sr mgmt 15% counsel | 20 | 6 4 7 3 | \$20 \$40 \$80 \$100 | \$120 \$160 \$560 \$300 |
| (f) Federal Branches & Agencies | 40% clerical 40% middle mgmt 20% sr mgmt | 187 | 75 75 37 | \$20 \$40 \$80 | \$1,500 \$3,000 \$2,960 |
| (g) Branches & Relocations | 70% clerical 30% middle mgmt | 1,587 | 1,111 476 | \$20 \$40 | \$22,220 \$19,040 |
| (h) Business Combinations and Failure Acquisitions | 40% clerical 10% middle mgmt 10% sr mgmt 40% counsel | 4,770 | 1,908 477 477 1,908 | \$20 \$40 \$80 \$100 | \$38,160 \$19,080 \$38,160 \$190,800 |
| (i) Fiduciary Activities | 40% clerical 40% middle mgmt 10% sr mgmt | 97 | 39 39 19 | \$20 \$40 \$80 | \$780 \$1,560 \$1,520 |
| (j)(1) Operating Subsidiaries | 50% clerical 40% middle mgmt 10% sr mgmt | 136 | 67 55 14 | \$20 \$40 \$80 | \$1,340 \$2,220 \$1,120 |
| (j)(2) Financial Subsidiaries | 50% clerical 40% middle mgmt 10% sr mgmt | 4 | 2 1 1 | \$20 \$40 \$80 | \$40 \$40 \$80 |
| (j)(3) Bank Service Companies | 50% clerical 40% middle mgmt 10% sr mgmt | 1 | 0.5 0.4 0.1 | \$20 \$40 \$80 | \$10 \$16 \$8 |
| Information Collection | Wage | Total | Burden | Wage | Total |

| | Category | Burden Hours | Hours by Wage Category | Rate | Cost of Hour Burden |
|---|---|---------------------|-------------------------------|-------------------------------|---|
| (j)(4) Investments | 50% clerical 40% middle mgmt 10% sr mgmt | 9 | 4 4 1 | \$20 \$40 \$80 | \$80 \$160 \$80 |
| (j)(5) Thrift Service Corporation | 100% middle mgmt | 0.15 | 0.15 | \$40 | \$6 |
| (j)(6) Annual Report | 70% clerical 30% middle mgmt | 81 | 57 24 | \$20 \$40 | \$1,140 \$960 |
| (k) Branch Closings | 60% clerical 40% middle mgmt | 983 | 590 393 | \$20 \$40 | \$11,800 \$15,720 |
| (l) Termination of National Bank or FSA Charter | 30% clerical 40% middle mgmt 20% sr mgmt 10% counsel | 1,265 | 379 506 253 127 | \$20 \$40 \$80 \$100 | \$7,580 \$20,240 \$20,240 \$12,700 |
| (m) Capital & Dividends; Subordinated Debt | 30% clerical 30% middle mgmt 20% sr mgmt 20% counsel | 226 | 68 68 45 45 | \$20 \$40 \$80 \$100 | \$1,360 \$2,720 \$3,600 \$4,500 |
| (n) Change in Control | 30% clerical 50% sr mgmt 20% counsel | 300 | 90 150 60 | \$20 \$80 \$100 | \$1,800 \$12,000 \$6,000 |
| (o) Change in CEO or Director | 20% clerical 80% sr mgmt | 2 | 0.40 1.60 | \$20 \$80 | \$8 \$128 |
| (p) Director Waivers | 20% clerical 80% sr mgmt | 50 | 10 40 | \$20 \$80 | \$200 \$3,200 |
| (q) Change of Corporate Title & Address | 80% clerical 20% middle mgmt | 51 | 41 10 | \$20 \$40 | \$820 \$400 |
| (r) Management Interlocks | 50% clerical 50% counsel | 9 | 4.50 4.50 | \$20 \$100 | \$90 \$450 |
| (s) Customer Satisfaction Survey | 80% clerical 20% middle mgmt | 62 | 50 12 | \$20 \$40 | \$1,000 \$480 |
| (t) Change in Asset Composition | 40% clerical 10% middle mgmt 20% sr mgmt 30% counsel | 117 | 47 12 23 35 | \$20 \$40 \$80 \$100 | \$940 \$480 \$1,840 \$3,500 |
| Total Cost of Hour Burden to Respondents | | 12,485 | | | \$661,616 |

13. Estimate of annualized costs to respondents:

Not applicable.

14. Estimate of annualized costs to the government:

Not applicable.

15. Changes in burden:

Burden:

Former:

3,831 respondents @ 1 response = 3,831 responses

3,831 responses @ 3.178 hours = 12,174 burden hours

New:

3,879 respondents @ 1 response = 3,879 responses

3,879 responses @ 3.219 hours = 12,485 burden hours

Difference:

+48 respondents; +48 responses; +311 burden hours

While this update introduces additional filing or reporting requirements for national banks and Federal savings associations, the increase in burden is offset by elimination of certain filing requirements. Also, in calendar year 2013 the OCC continued to see an upward trend in charter conversions (to a state bank), liquidation, dissolution, or failure. In CY2013, 103 national banks and FSAs exited the federal banking system.

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

The results of these collections will not be published for statistical use. However, data obtained from these submissions may be published in the OCC's Quarterly Journal; we present only the number of requests received.

17. Display of expiration date:

Not applicable.

18. Exceptions to certification statement:

Not applicable.

COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS:

Not applicable.