

**Supporting Statement  
Annual Stress Test Rule  
Under the Dodd-Frank Wall Street Reform and Consumer Protection Act  
OMB Control No. 1557-0311**

**A. Justification**

**1. *Circumstances that make the collection of information necessary:***

Section 165(i)(2) of the Dodd-Frank Wall Street Reform and Consumer Protection Act requires certain financial companies, including national banks and federal savings associations, to conduct annual stress tests<sup>1</sup> and requires the primary financial regulatory agency<sup>2</sup> of those financial companies to issue regulations implementing the stress test requirements.<sup>3</sup>

**2. *Use of the information:***

Twelve CFR 46.6(a) specifies the calculations of the potential impact on capital that must be made during each quarter of a planning horizon. Section 46.6(c)(1) requires the senior management of each covered institution to establish and maintain a system of controls, oversight, and documentation, including policies and procedures that, at a minimum, describe the covered institution's stress test practices and methodologies and processes for updating the covered institution's stress test practices. Section 46.6(c)(2) provides that the board of directors of the covered institution shall approve and review these policies and procedures no less than annually and provide the board of directors and senior management with a summary of the stress test results.

Section 46.7 provides that each covered institution shall report to the OCC and to the Board of Governors of the Federal Reserve System annually the results of the stress test in the time, manner and form specified by the OCC.

Section 46.8 requires that a covered institution shall publish a summary of the results of its annual stress tests on its Web site or in any other forum that is reasonably accessible to the public. The summary must include a description of the types of risks included in the stress test, a summary description of the methodologies used in the stress test, estimates of aggregate losses, pre-provision net revenue, provisions for loan and lease losses, net income, and pro forma capital ratios and an explanation of the most significant causes of the changes in regulatory capital ratios. The summary also must reflect, for estimates of aggregate losses, pre-provision net revenue, provisions for loan and lease losses, the estimated cumulative effects and estimated capital ratios, net income, and pro forma capital ratios (including regulatory and any other capital ratios specified by the OCC) at the end of the planning horizon, under the severely adverse scenario.

---

<sup>1</sup> 12 U.S.C. 5365(i)(2)(A).

<sup>2</sup> 12 U.S.C. 5301(12).

<sup>3</sup> 12 U.S.C. 5365(i)(2)(C).

**3. *Consideration of the use of improved information technology:***

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

**4. *Efforts to identify duplication:***

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

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

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

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

The collection of information is required by federal statute. The consequences of collecting the information less frequently would prevent OCC from meeting the requirements of the statute.

**7. *Special circumstances that would cause an information collection to be conducted in a manner inconsistent with 5 CFR part 1320:***

Not applicable.

**8. *Efforts to consult with persons outside the agency:***

The OCC issued a notice for 60 days of comment concerning the collection, December 6, 2018, 83 FR 62953. No comments were received.

**9. *Payment or gift to respondents:***

None.

**10. *Any assurance of confidentiality:***

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

**11. *Justification for questions of a sensitive nature:***

There are no questions of a sensitive nature.

**12. Burden estimate:**

Reporting Templates	No. of Respondents	No. of Responses per Respondent	Annual No. of Responses	Burden per Response	Total Hours
<b>Annual Stress Test Final Rule</b>					
Methodologies and Practices (Recordkeeping)	61	1	1	640	39,040
Reporting	61	1	1	240	14,640
Publications (Disclosure)	61	1	1	160	9,760
<b>Total Burden for Collection</b>					<b>63,440</b>

**Cost of Hour Burden**

**63,440 x \$117 = \$7,422,480**

To estimate wages we reviewed data from May 2017 for wages (by industry and occupation) from the U.S. Bureau of Labor Statistics (BLS) for depository credit intermediation (NAICS 522100). To estimate compensation costs associated with the rule, we use \$117 per hour, which is based on the average of the 90th percentile for seven occupations adjusted for inflation (2.2 percent), plus an additional 34.2 percent to cover private sector benefits for financial activities.

**13. Estimates of total annual costs to respondents (excluding cost of hour burden in Item #12):**

None.

**14. Estimate of annualized costs to the federal government:**

OCC estimates no annualized cost to the Federal government.

**15. Change in burden:**

There is no change in burden.

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

Not applicable.

**17. Reasons for not displaying OMB approval expiration date:**

Not applicable.

***18. Exceptions to the certification statement:***

There are no exceptions to the certification.

**B. Collections of Information Employing Statistical Methods.**

Not applicable.