Supporting Statement for the
Disclosure and Reporting Requirements of CRA-Related Agreements
(Reg G; OMB No. 7100-0299)

Summary

The Board of Governors of the Federal Reserve System, under delegated authority from the Office of Management and Budget (OMB), proposes to extend for three years, without revision, the mandatory Disclosure and Reporting Requirements of CRA-Related Agreements. The Paperwork Reduction Act (PRA) classifies reporting, recordkeeping, or disclosure requirements of a regulation as an "information collection." [1] The PRA requires the Federal Reserve to renew authority for information collections every three years.

The estimated annual burden for this information collection is 78 hours. The burden estimate is an average based on the number of insured depository institutions and affiliates of insured depository institutions that reported covered agreements to the Federal Reserve from 2003 to 2006. There are no required reporting forms associated with Regulation G.

Background and Justification

Section 48 of the Federal Deposit Insurance Act (FDI Act; 12 U.S.C 1831y), entitled "CRA Sunshine Requirements," imposes disclosure and reporting requirements on insured depository institutions (IDIs), their affiliates (affiliates), and nongovernmental entities or persons (NGEPs) that enter into written agreements that meet certain criteria. The written agreements must (1) be made in fulfillment of the Community Reinvestment Act of 1977 (CRA)[2] and (2) involve funds or other resources of an IDI or affiliate with an aggregate value of more than $10,000 in a year, or loans with an aggregate principal value of more than $50,000 in a year. Section 48 excludes from the disclosure and reporting requirements any agreement between an IDI or its affiliate and an NGEP if the NGEP has not contacted the IDI or its affiliate, or a banking agency, concerning the CRA performance of the IDI.

The Gramm-Leach-Bliley Act directed the Board, as well as the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Office of Thrift Supervision (collectively, the agencies), to issue consistent and comparable regulations to implement the requirements of Section 48 of the FDI Act. In 2001, the agencies promulgated substantially identical regulations, which interpret the scope of written agreements that are subject to the statute and implement the disclosure and reporting requirements of Section 48.

Description of Information Collection

Regulation G contains four disclosure requirements and two reporting requirements for IDIs and affiliates and three disclosure requirements and one reporting requirement for NGEPs. Below is a summary of the disclosure and reporting requirements of Regulation G.

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[1] 44 U.S.C. § 3501 et seq.

[2] 12 U.S.C. 2901 et seq.

Requirements for Insured Depository Institutions, Affiliates, and Nongovernmental Entities or Persons

Disclosure of covered agreements to the public – Disclosure requirements (207.6(b)(1)). Each NGEP and each IDI or affiliate that enters into a covered agreement must promptly make a copy of the covered agreement available to any individual or entity upon request.

Annual report required (207.7(b)). Each NGEP and each IDI or affiliate that is a party to a covered agreement must file an annual report with each relevant supervisory agency concerning the disbursement, receipt, and uses of funds or other resources under the covered agreement. An NGEP must file an annual report for any fiscal year in which the NGEP receives or uses funds or other resources under the agreement. An IDI or affiliate must file an annual report for any fiscal year in which it provides or receives any payments, fees, or loans under the covered agreement or has data to report on loans, investments, and services provided by a party to the covered agreement under the covered agreement. This requirement applies only to covered agreements entered into on or after May 12, 2000.

Requirements for Insured Depository Institutions and Affiliates Only

Agreements relating to activities of CRA affiliates (207.4(b)). An IDI or affiliate that is a party to a covered agreement that concerns any activity of a CRA affiliate as described in 207.4(a) must, before the agreement is entered into, notify each NGEP that is a party to the agreement that the agreement concerns a CRA affiliate.

Disclosure of covered agreements by IDI or affiliate to the relevant supervisory agency (207.6(d)(1)). Within sixty days of the end of each calendar quarter, each IDI and affiliate must provide each relevant supervisory agency with -

(i) A copy of each covered agreement entered into by the IDI or affiliate during the calendar quarter; and in the event the IDI or affiliate proposes the withholding of any information contained in the agreement in accordance with 207.6(b)(2), a public version of the agreement with an explanation justifying the exclusions. **-OR-**

(ii) A list of all covered agreements entered into by the IDI or affiliate during the calendar quarter. The list must contain: the name and address of each IDI or affiliate that is a party to the agreement; the name and address of each NGEP that is a party to the agreement; the date the agreement was entered into; the estimated total value of all payments, fees, loans, and other considerations to be provided by the IDI or affiliate under the agreement; and the date the agreement terminates.

Prompt filing of covered agreements contained in list (207.6(d)(2)). If an IDI or affiliate files a list of the covered agreements entered into by the IDI or affiliate pursuant to 207.6 (d)(1)(ii), the IDI or affiliate must provide any relevant supervisory agency a complete copy and public version of any covered agreement referenced in the list within seven calendar days of receiving a request from the agency for a copy of the agreement. The obligation to provide the covered agreement to the relevant supervisory agency extends until thirty-six months after the termination

of the agreement. *The estimated burden to provide a copy of the covered agreement is included in the estimate of the burden to provide the list of covered agreements to the agencies.*

Alternative method of fulfilling annual reporting requirement for a NGEP (207.7(f)(2)(ii)). An IDI or affiliate that receives an annual report from an NGEP pursuant to 207.7(f)(2)(i) must file the report with the relevant supervisory agency or agencies on behalf of the NGEP within thirty days.

Requirements for Nongovernmental Entities or Persons Only

Disclosure by NGEPs of covered agreements to the relevant supervisory agency (207.6(c)(1)). Each NGEP that is a party to a covered agreement must provide a complete copy of the agreement within thirty days of receiving a request from the relevant supervisory agency.

Time Schedule for Information Collection

The disclosure and reporting requirements in connection with Regulation G are mandatory and apply to state member banks and their subsidiaries; bank holding companies; affiliates of bank holding companies, other than banks, savings associations, and subsidiaries of banks and savings associations; and NGEPs that enter into covered agreements with any of the aforementioned companies.

The disclosure of a covered agreement to the public by each NGEP and each IDI or affiliate that enters into a covered agreement must be made promptly upon request. An NGEP must file an annual report for any fiscal year in which the NGEP receives or uses funds or other resources under the agreement. An IDI or affiliate must file an annual report for any fiscal year in which it provides or receives any payments, fees, or loans under the covered agreement or has data to report on loans, investments, and services provided by a party to the covered agreement under the covered agreement.

An NGEP that is entering into a covered agreement with an IDI or affiliate that concerns any activity of a CRA affiliate must be notified before the covered agreement is entered into that concerns a CRA affiliate. Within sixty days of the end of each calendar quarter, each IDI and affiliate must provide each relevant supervisory agency with either a copy of each covered agreement entered into by the IDI or affiliate during the calendar quarter or a list of all covered agreements entered into by the IDI or affiliate during the calendar quarter. If an IDI or affiliate chooses to file a list of covered agreements with the relevant supervisory agency, then the IDI or affiliate must provide a complete copy and public version of any covered agreement referenced in the list to the agency within seven calendar days of receiving a request from the agency for a copy of the agreement. The obligation to provide the covered agreement to the relevant supervisory agency extends until thirty-six months after the termination of the agreement. An IDI or affiliate that receives an annual report from an NGEP must file the report with the relevant supervisory agency or agencies on behalf of the NGEP within thirty days. Each NGEP that is a party to a covered agreement must provide a complete copy of the agreement within thirty days of receiving a request from the relevant supervisory agency.

Sensitive Questions

This collection of information does not contain questions of a sensitive nature, as defined by OMB guidelines.

Consultation Outside the Agency

On October 18, 2006, the Federal Reserve published a notice in the *Federal Register* (71 FR 61473) requesting public comment for 60 days on the extension, without revision, the mandatory Disclosure and Reporting Requirements of CRA-Related Agreements.

Legal Status

The Board's Legal Division determined that Federal Deposit Insurance Act (12 U.S.C. 1831y(b) and (c)) authorizes the Board to require the disclosure and reporting requirements of Regulation G (12 C.F.R. 207). In general, the Board does not consider individual respondent commercial and financial information collected by the Board pursuant to Regulation G as confidential. However, a respondent may request confidential treatment pursuant to section (b)(4) of Freedom of Information Act, 5 U.S.C 552(b)(4).

Estimate of Respondent Burden

The estimated annual burden for the disclosure and reporting requirements of this information collection is 78 hours, as shown in the table below. The estimate is an average based on the number of IDIs or their affiliates that reported covered agreements to the Federal Reserve from 2003 to 2006. The number of NGEP respondents is based upon an assumption that one NGEP is a party to each covered agreement. The Federal Reserve accounts for the paperwork burden associated with the regulation only for the institutions it regulates. The other agencies account for the paperwork burden for their regulated entities. The estimated total annual burden represents less than 1 percent of the total Federal Reserve System paperwork burden.

	Estimated Number of respondents	*Estimated annual frequency*	*Estimated annual responses*	*Estimated response time*	*Estimated Annual burden hours*
Disclosure burden for IDI and affiliates					
Covered agreements to public	3	2	6	1	6
Agreements relating to activities of CRA affiliates	3	2	6	1	6
Copy of agreement to agency	3	2	6	1	6
List of agreements to agency	3	2	6	1	6
Reporting burden for IDI and affiliates					
Annual report	3	1	3	4	12
Filing NGEP annual report	6	1	6	1	6
Disclosure burden for NGEP					
Covered agreements to public	6	1	6	1	6
Copy of agreement to agency	6	1	6	1	6
Reporting burden for NGEP					
Annual report	6	1	6	4	24
Total					78

The estimated cost to the public for this information collection is $4,852.[3]

Estimate of Cost to the Federal Reserve System

Since the Federal Reserve does not collect any information, the cost to the Federal Reserve System is negligible.

[3] Total cost to the public was estimated using the following formula. Percent of staff time, multiplied by annual burden hours, multiplied by hourly rate: 30% - Clerical @ $25, 45% - Managerial or Technical @ $55, 15% - Senior Management @ $100, and 10% - Legal Counsel @ $144. Hourly rate estimates for each occupational group are averages using data from the Bureau of Labor and Statistics, *Occupational Employment and Wages*, news release.