Summary

The Board of Governors of the Federal Reserve System (Board), under delegated authority from the Office of Management and Budget (OMB), proposes to extend for three years, without revision, the filing requirements associated with the Investment in Bank Premises Notification (FR 4014; OMB No. 7100-0139). The Federal Reserve Act (FRA) and the Board’s Regulation H require a state member bank to seek the prior approval of the appropriate Federal Reserve Bank before making an investment in bank premises that exceeds certain thresholds. There is no required reporting form (the FR 4014 designation is for internal purposes only) and each request for prior approval must be filed with the Reserve Bank that has direct supervisory responsibility for the requesting state member bank. The Federal Reserve uses the information provided in the notice to supervise state member banks. The current annual burden for the FR 4014 is estimated to be eight hours.

Background and Justification

Under section 24A of the FRA and section 208.21 of Regulation H, a state member bank is required under certain circumstances to obtain prior Federal Reserve approval of its investment in bank premises. Under section 24A of the FRA and section 208.21 of Regulation H, a state member bank that is not well capitalized or would not be so on a pro forma basis, or that does not have a composite CAMELS rating of 1 or 2 under the Uniform Financial Institutions Rating System must request prior approval to invest in its premises when the bank’s pro forma aggregate of all such investments, together with any indebtedness of affiliates that is related to bank premises (aggregate investment level), would exceed 100 percent of the bank’s capital stock and surplus, as defined in sections 208.21(a)(2) and (3) of Regulation H. A state member bank that is well capitalized, would remain so on a pro forma basis, and has a composite CAMELS rating of 1 or 2 must request prior approval to invest in its premises when its aggregate investment level would exceed 150 percent of the bank’s capital stock and surplus. The Federal Reserve System uses the information in the notice to determine if the proposal is financially sound and consistent with prudent banking practices.

Description of the Information Collection

There is no prescribed form for an investment in bank premises notice. Any required notice must be sent by letter to the appropriate Reserve Bank that states the facts involved, the action requested, and the reasons why the notice should be approved.

Time Schedule for Information Collection

This information collection is event-generated. A notice required by Regulation H must be filed at least 15 days prior to a proposed investment in bank premises.
Legal Status

The FR 4014 is authorized by section 24A(a) of the FRA, which requires that state member banks obtain prior Board approval before investing in bank premises that exceed certain statutory thresholds. The FR 4014 notification is required to obtain a benefit because banks wanting to make an investment in bank premises that exceed a certain threshold are required to notify the Federal Reserve. Generally, respondent data would not be confidential; however, individual respondents may request that the data be kept confidential on a case-by-case basis. If a respondent requests confidential treatment, the Board will determine whether the information is entitled to confidential treatment on an ad hoc basis in connection with the request. Any such determination will be made in accordance with the Freedom of Information Act and the Board’s rules regarding availability of information.

Consultation Outside the Agency

There has been no consultation outside the agency.

Public Comments

On April 12, 2019, the Board published an initial notice in the Federal Register (84 FR 14938) requesting public comment for 60 days on the extension, without revision, of the FR 4014. The comment period for this notice will expire on June 11, 2019.

Estimate of Respondent Burden

The annual reporting burden for the FR 4014 is estimated to be eight hours based on an estimated average response time of 30 minutes. Because this information collection is event generated, it is not possible to predict exactly how many notices would be filed in a particular year. The average annual number of notices received in the last two years is 15, and the Board does not anticipate a material change in the number of notices received per year. This notice requirement represents less than 1 percent of total Federal Reserve System paperwork burden.

---

1 12 U.S.C. 371d(a). The Board has the authority to require state member banks to submit information as the Board deems necessary (12 U.S.C. 248(a)).
2 5 U.S.C. 552.
3 12 CFR 261.
<table>
<thead>
<tr>
<th>FR 4014</th>
<th>Number of respondents⁴</th>
<th>Annual frequency</th>
<th>Estimated average hours per response</th>
<th>Estimated annual burden hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notice of proposed stock redemption</td>
<td>15</td>
<td>1</td>
<td>0.5</td>
<td>8</td>
</tr>
</tbody>
</table>

The estimated total annual cost to the public for this information collection is $448.⁵

**Sensitive Questions**

This collection of information contains no questions of a sensitive nature, as defined by OMB guidelines.

**Estimated Cost to the Federal Reserve System**

Annual costs associated with providing the instructions for this notice are negligible. There are no mailing or printing costs incurred by the Federal Reserve in administering this notice.

---

⁴ Of these respondents, five are considered small entities as defined by the Small Business Administration (i.e., entities with less than $550 million in total assets), [www.sba.gov/contracting/getting-started-contractor/make-sure-you-meet-sba-size-standards/table-small-business-size-standards](http://www.sba.gov/contracting/getting-started-contractor/make-sure-you-meet-sba-size-standards/table-small-business-size-standards).

⁵ Total cost to the public was estimated using the following formula: percent of staff time, multiplied by annual burden hours, multiplied by hourly rates (30% Office & Administrative Support at $18, 45% Financial Managers at $69, 15% Lawyers at $68, and 10% Chief Executives at $94). Hourly rates for each occupational group are the (rounded) mean hourly wages from the Bureau of Labor and Statistics (BLS), Occupational Employment and Wages May 2017, published March 30, 2018 [www.bls.gov/news.release/ocwage.t01.htm](http://www.bls.gov/news.release/ocwage.t01.htm). Occupations are defined using the BLS Occupational Classification System, [www.bls.gov/soc/](http://www.bls.gov/soc/).