Supporting Statement for the
Reporting Requirements Associated with
Supervision and Regulation Assessments of Fees (Regulation TT)
(FR TT\textsuperscript{1}; OMB No. 7100-0369)

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, with revision, the Reporting Requirements Associated with Supervision and Regulation Assessments of Fees (Regulation TT); (FR TT; OMB No. 7100-0369).

The Board’s Regulation TT\textsuperscript{2} implements section 11(s) of the Federal Reserve Act (FRA),\textsuperscript{3} which directs the Board to collect assessments, fees, or other charges (collectively, “assessments”) from bank holding companies (BHCs) and savings and loan holding companies (SLHCs) that meet a statutory size threshold and from all nonbank financial companies designated for Board supervision by the Financial Stability Oversight Council (FSOC) (collectively, assessed companies) in an amount equal to the total expenses the Board estimates are necessary or appropriate to carry out its supervisory and regulatory responsibilities with respect to such companies. Pursuant to Regulation TT, the Board issues an annual notice of assessment to each assessed company. As described below, assessed companies may file a written appeal with the Board regarding the assessment.\textsuperscript{4}

Section 401(c) of the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA) raised the size threshold in section 11(s) of the FRA for assessments for BHCs and SLHCs from $50 billion to $100 billion in total consolidated assets. Therefore, BHCs and SLHCs with total consolidated assets of at least $50 billion but less than $100 billion are no longer subject to section 11(s) assessments.\textsuperscript{5} Accordingly, the Board proposes to revise this collection of information so that it no longer applies to such BHCs and SLHCs.

The total annual burden for this information collection is estimated to be 120 hours. There are no reporting forms associated with this information collection.

Background and Justification

Section 11(s) of the FRA directs the Board to collect assessments from assessed companies equal to the expenses the Board estimates are necessary or appropriate to carry out its supervision and regulation of those companies. Each calendar year is an assessment period.

\textsuperscript{1} The internal Agency Tracking Number previously assigned by the Board to this information collection was Reg TT. The Board is changing the internal Agency Tracking Number for the purpose of consistency.

\textsuperscript{2} 12 CFR part 246.

\textsuperscript{3} 12 U.S.C. § 248(s). Section 11(s) of the Federal Reserve Act was added by section 318 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

\textsuperscript{4} 12 CFR 246.5(b).

\textsuperscript{5} The Board intends to publish a final rule to implement section 401(c) of EGRRCPA, which also requires the Board to adjust the amount charged to assessed companies to reflect any changes in supervisory and regulatory responsibilities resulting from EGRRCPA, in the near future.
Effective with the enactment of EGRRCPA, a BHC or SLHC is an assessed company for an
assessment period if the company’s average total consolidated assets over the assessment period
were at least $100 billion, and a nonbank financial company is an assessed company if it is a
Board-supervised nonbank financial company on December 31 of the assessment period.
Regulation TT provides that the Board must notify assessed companies of the amount of their
assessment no later than June 30 of the year following each assessment period.

**Description of Information Collection**

Section 246.5(b): Notice of Assessment and Appeal. Each assessed company has
30 calendar days from June 30 to submit a written statement to appeal the Board’s determination
that the company is an assessed company or its determination of the company’s total assessable
assets.

**Proposed Revisions**

The Board proposes to revise the respondent panel for the FR TT to include BHCs and
SLHCs with total consolidated assets of $100 billion or more, as well as all nonbank financial
companies designated for Board supervision by the FSOC. BHCs and SLHCs with total
consolidated assets of at least $50 billion but less than $100 billion would be removed as
respondents to the revised FR TT, as they are no longer subject to assessments under
section 11(s) of the FRA.

**Time Schedule for Information Collection**

This information collection is event-generated. An assessed company electing to appeal
the Board’s assessment determination would have 30 calendar days from June 30 to submit a
written appeal.

**Legal Status**

The FR TT is authorized pursuant to section 11(i) of the FRA (12 U.S.C. § 248(i)),
which provides that the Board shall make all rules and regulations necessary to enable the
Board to effectively perform the duties, functions, or services specified in the FRA. The FR
TT is voluntary.

An assessed company may request confidential treatment of its appeal if it believes that
disclosure of specific commercial or financial information in the statement would likely result in
substantial harm to its competitive position. The determination that such information is
confidential and not subject to disclosure under the Freedom of Information Act (FOIA) (5 U.S.C.
§ 552), would need to made on a case-by-case basis, consistent with FOIA exemption 4 (5 U.S.C.
§ 552(b)(4)).

**Consultation Outside the Agency**

There has been no consultation outside the Federal Reserve System.
Public Comments

On April 8, 2019, the Board published an initial notice in the Federal Register (84 FR 13918) requesting public comment for 60 days on the extension, with revision, of Reporting Requirements Associated with Supervision and Regulation Assessments of Fees (Regulation TT). The comment period for this notice expires on June 7, 2019.

Estimate of Respondent Burden

The total annual burden for this information collection is estimated to be 120 hours. The estimated average burden per request is 40 hours and would remain unchanged. However, the Board has adjusted the estimated number of assessed companies that would submit a written request for appeal downward based on historical experience. These reporting requirements represent less than 1 percent of the total Federal Reserve System paperwork burden.

<table>
<thead>
<tr>
<th>Reg TT</th>
<th>Number of respondents</th>
<th>Annual frequency</th>
<th>Estimated average hours per response</th>
<th>Estimated annual burden hours</th>
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<tr>
<td>Section 246.5(b)</td>
<td>3</td>
<td>1</td>
<td>40</td>
<td>120</td>
</tr>
</tbody>
</table>

The total cost to the public for this information collection is estimated to be $6,726.7

Sensitive Questions

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

Estimate of Cost to the Federal Reserve System

The annual cost to the Federal Reserve System for collecting this information is negligible.

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6 Of these respondents, none 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/content/small-business-size-standards.

7 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. Occupations are defined using the BLS Occupational Classification System, www.bls.gov/soc/