

**Supporting Statement for the
Notice of Proposed Declaration of Dividend
(FR 1583; OMB No. 7100-0339)**

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, with revisions, the Notice of Proposed Declaration of Dividend (FR 1583; OMB No. 7100-0339). The FR 1583 is used to collect information on all dividends declared by a subsidiary savings association of a savings and loan holding company (SLHC). The current annual reporting burden for the FR 1583 is estimated to be 73 hours and would remain unchanged with the proposed revisions.

Background and Justification

Section 10(f) of the Home Owners' Loan Act, as amended ("Act"), 12 U.S.C. § 1467a(f), and section 238.101 of Regulation LL (12 CFR 238.101) provide that every savings association that is a subsidiary of an SLHC is required to provide the Federal Reserve at least 30 days' prior notice of any dividend that its board of directors intends to declare.

Description of Information Collection

Savings association subsidiaries of SLHCs provide prior notice of a dividend by filing form FR 1583 that requires information on 1) the date of the filing, 2) the nature and amount of the proposed dividend declaration, and 3) the names and signatures of the executive officer and secretary of the savings association that have provided the notice. The savings association subsidiary must file this prior notice at least 30 days before the proposed declaration of a dividend by its board of directors. This notice may include a schedule proposing dividends of over a specified period, up to 12 months.

The statute also provides that the 30-day period commences on the date of receipt of the complete record of the notice by the Federal Reserve.

The Federal Reserve Board may request additional information or may impose conditions for the dividend and may determine that such dividend does not comply with the requirements of 12 CFR Part 238, subpart K.

Proposed Revisions

The Federal Reserve proposes to change all references to the Office of Thrift Supervision (OTS) with references to the Board or the Reserve Banks and all citations to the former OTS regulations with citations to the Board's Regulation LL.

With respect to information that is included in the form, the Federal Reserve proposes to require the nature of dividend to be identified (e.g., cash, stock) that the savings association subsidiary's board of directors intends to distribute.

Finally, the Federal Reserve proposes several stylistic and grammatical changes to the form and instructions.

Sensitive Questions

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

Legal Status

The Board's Legal Division determined that FR 1583 is authorized by Section 10(f) of the Home Owners' Loan Act (HOLA) and section 238.103 of Regulation LL (12 CFR 238.103). Section 10(f) of the Home Owners' Loan Act, as amended (HOLA), 12 U.S.C. § 1467a(f), provides that every subsidiary savings association of an SLHC shall give the Board at least 30 days' advance notice of the proposed declaration by its directors of any stock dividend. The obligation to respond is mandatory, as described in the previous paragraph, and the Federal Reserve is authorized to collection this information by section 10(f) of HOLA.

The information collected on the FR 1583 is generally not considered confidential. It is possible that a savings association or SHLC could seek confidential treatment under FOIA exemption 4 for the nature and amount of the proposed dividend declaration, in which case the institution would need to submit a request stating that disclosure of the specific information would likely result in substantial harm to its competitive position and demonstrating the specific nature of the harm that would result from public release of the information. FOIA exemption 4 covers commercial or financial information obtained from a person that is privileged or confidential. The determination of whether confidential treatment should be granted will have be made on a case-by-case basis.

Consultation Outside the Agency

On June 1, 2016, the Federal Reserve published a notice in the Federal Register (81 FR 35015) requesting public comment for 60 days on the extension of the FR 1583. The comment period for this notice will expire on August 1, 2016.

Estimates of Respondent Burden

The annual reporting burden for FR 1583 is estimated to be 73 hours as shown in the following table. The annual burden for the FR 1583 represents less than 1 percent of total Federal Reserve System paperwork burden.

	<i>Estimated number of respondents¹</i>	<i>Annual frequency²</i>	<i>Estimated average minutes per response</i>	<i>Estimated annual burden hours</i>
FR 1583	133	2	16.5 minutes	73

The total cost to the public is estimated to be \$3,880 for FR 1583. ³

Estimate of Cost to the Federal Reserve System

The estimated cost to the Federal Reserve System for collecting and processing these reports is negligible.

¹ Of these respondents, 77 for the FR 1583, 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.

² Average number of FR 1583 forms received annually, per respondent, in 2015.

³ 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 \$17, 45% Financial Managers at \$65, 15% Lawyers at \$66, and 10% Chief Executives at \$89). 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 2015, published March 30, 2016 <http://www.bls.gov/news.release/ocwage.t01.htm>. Occupations are defined using the BLS Occupational Classification System, www.bls.gov/soc/