Supporting Statement for the  
Consolidated Report of Condition and Income for Edge and Agreement Corporations  
(FR 2886b; OMB: No. 7100-0086)

Summary

The Board of Governors of the Federal Reserve System (Board), under authority delegated from the Office of Management and Budget (OMB), has revised the Consolidated Report of Condition and Income for Edge and Agreement Corporations (FR 2886b; OMB: No. 7100-0086) pursuant to its authority to approve temporarily a collection of information without providing opportunity for public comment.¹ The FR 2886b reporting form is filed quarterly and annually by banking Edge and agreement corporations² and investment (nonbanking) Edge and agreement corporations (collectively, “Edges or Edge corporations”). The mandatory FR 2886b comprises an income statement with two schedules reconciling changes in capital and reserve accounts and a balance sheet with 11 supporting schedules. Other than examination reports, it provides the only financial data available for these entities. The Federal Reserve is solely responsible for authorizing, supervising, and assigning ratings to Edges. The Federal Reserve uses the data collected on the FR 2886b to identify present and potential problems and monitor and develop a better understanding of activities within the industry.

The Board has temporarily revised the instructions to the FR 2886b to update the definition of “savings deposits” in accordance with the amendments to Regulation D in the interim final rule published on [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]. Specifically, the Board has temporarily revised the instructions on Schedule RC-E to remove the transfer and withdrawal limit from the definition of a savings deposit. As a result of the revision, if a depository institution chooses to suspend enforcement of the six transfer limit on a “savings deposit,” the depository institution may continue to report that account as a “savings deposit” or may instead choose to report that account as a “transaction account.”

The current estimated total annual burden for the FR 2886b is 1,652 hours and would remain the same. The form and instructions are available on the Board’s public website at https://www.federalreserve.gov/apps/reportforms/default.aspx.”

Background and Justification

The FR 2886b collects financial data from Edge corporations. The Federal Reserve uses the FR 2886b data to help plan and target the scope of examinations of Edges and in the evaluation of applications. Data from the FR 2886b are also used to monitor aggregate institutional trends, such as growth in assets and the number of offices, changes in leverage, and the types and locations of customers and to monitor and identify present and potential problems with Edge corporations. As domestic deposit-taking institutions, banking Edges conduct activities that affect the nation’s money supply even though they are treated as foreign offices for most reporting purposes. The Federal Reserve uses the FR 2886b data, in conjunction with data

² Regulation K defines an Edge corporation as being engaged in banking if it accepts deposits in the U.S. from nonaffiliated parties as an ordinary part of its business.
from the Call Report, in the construction of the monetary aggregates and aggregate statistics on bank credit, nondeposit funds, and assets and liabilities of commercial banks. In addition, the Federal Reserve uses the data in the construction of the flow of funds accounts and in the compilation of structure data on foreign bank activity.

**Description of Information Collection**

The FR 2886b comprises a balance sheet, income statement, two schedules reconciling changes in capital and reserve accounts, and 11 supporting schedules. Banking Edges must file all supporting schedules; investment Edges file only four of the 11 supporting schedules. The four supporting schedules that investment and agreement corporations must file are: Trading Assets and Liabilities; Derivatives and Off-Balance-Sheet Items; Claims on and Liabilities to Related Organizations; and Past Due and Nonaccrual Loans, Leases, and Other Assets.

**Respondent Panel**

The FR 2886b panel comprises banking Edge and agreement corporations and investment (nonbanking) Edge and agreement corporations.

**Adopted Revisions to the FR 2886b**

The Board has temporarily revised the instructions to the FR 2886b to update the definition of “savings deposits” in accordance with the amendments to Regulation D in the interim final rule. Because of the elimination of reserve requirements and because of financial disruptions related to the containment measures adopted in response to the public health concerns, the Board is amending Regulation D, effective immediately, to delete the six transfer limit from the “savings deposit” definition. This interim final rule includes deletion of the provisions in the “savings deposit” definition that require depository institutions either to prevent transfers and withdrawals in excess of the limit or to monitor savings deposits *ex post* for violations of the limit. The interim final rule also makes conforming changes to other definitions in Regulation D that refer to “savings deposit” as necessary. The interim final rule allows depository institutions immediately to suspend enforcement of the six transfer limit and to allow their customers to make an unlimited number of convenient transfers and withdrawals from their savings deposits. The interim final rule permits, but does not require, depository institutions to suspend enforcement of the six transfer limit. The interim final rule also does not require any changes to the deposit reporting practices of depository institutions.

**Time Schedule for Information Collection**

Edge and agreement corporations with assets of more than $50 million file the FR 2886b quarterly as of the last calendar day of March, June, September and December. Edges with assets of $50 million or less file annually as of December 31st. Edges file the FR 2886b within 30

---

3 Regulation K defines an Edge corporation as being engaged in banking if it accepts deposits in the U.S. from nonaffiliated parties as an ordinary part of its business.
calendar days of the as-of date. If necessary, a respondent is permitted to take an additional 15 calendar days to submit its completed report without requesting an extension.

Public Availability of Data


Legal Status

The Board has the authority to require Edge and agreement corporations to submit the FR 2886b pursuant to sections 25 and 25A of the FRA (12 U.S.C. 602 and 625). The FR 2886b is mandatory. For Edge and agreement corporations engaged in banking, current Schedules RC-M (with the exception of item 3) and RC-V are held confidential pursuant to section (b)(4) of FOIA (5 U.S.C. 552(b)(4)). For Edge and agreement corporations not engaged in banking, only information collected on Schedule RC-M (with the exception of item 3) are given confidential treatment pursuant to section (b)(4) of FOIA (5 U.S.C. 552(b)(4)).

Consultation Outside the Agency

There has been no consultation outside the Federal Reserve System.

Public Comments

[This section to be completed with initial Federal Register notice info, when published.]
Estimate of Respondent Burden

As shown in the table below, the estimated total annual burden for the FR 2886b is 1,652 hours. The changes should be minimal and result in a zero net change in hourly burden. These reporting requirements represent less than 1 percent of the Board’s total paperwork burden.

<table>
<thead>
<tr>
<th>FR 2886b</th>
<th>Estimated number of respondents</th>
<th>Annual frequency</th>
<th>Estimated average hours per response</th>
<th>Estimated annual burden hours</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Banking</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Edge and agreement corporations (Quarterly)</td>
<td>9</td>
<td>4</td>
<td>15.77</td>
<td>568</td>
</tr>
<tr>
<td>Edge and agreement corporations (Annual)</td>
<td>1</td>
<td>1</td>
<td>15.87</td>
<td>16</td>
</tr>
<tr>
<td><strong>Total Banking</strong></td>
<td></td>
<td></td>
<td></td>
<td>584</td>
</tr>
<tr>
<td><strong>Investment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Edge and agreement corporations (Quarterly)</td>
<td>21</td>
<td>4</td>
<td>11.81</td>
<td>992</td>
</tr>
<tr>
<td>Edge and agreement corporations (Annual)</td>
<td>7</td>
<td>1</td>
<td>10.82</td>
<td>76</td>
</tr>
<tr>
<td><strong>Total Investment</strong></td>
<td></td>
<td></td>
<td></td>
<td>1,068</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td>1,652</td>
</tr>
</tbody>
</table>

The estimated total annual cost to the public for these collections of information is $95,403.5

Sensitive Questions

These collections of information contain no questions of a sensitive nature, as defined by OMB guidelines.

Estimate of Cost to the Federal Reserve System

The estimated cost for collecting and processing the FR 2886b is $204,300.

---

4 Of these respondents, 19 are considered small entities as defined by the Small Business Administration (i.e., entities with less than $600 million in total assets), https://www.sba.gov/document/support--table-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 $20, 45% Financial Managers at $71, 15% Lawyers at $70, and 10% Chief Executives at $93). 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 2019, published March 31, 2020 www.bls.gov/news.release/ocwage.t01.htm. Occupations are refined using the BLS Occupational Classification System, www.bls.gov/soc/.