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 by the Office of Management and Budget (OMB), has temporarily revised the Consolidated Report of Condition and Income for Edge and Agreement Corporations (FR 2886b; OMB: No. 7100-0086) pursuant to its authority to temporarily approve a collection of information without providing opportunity for public comment.¹ The FR 2886b reporting form is filed quarterly or annually by Edge and agreement corporations (collectively, Edges or Edge corporations). 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 supervise Edge corporations and to monitor and develop a better understanding of Edge activities.

The Board has temporarily revised the instructions to the FR 2886b effective beginning with the June 30, 2020, as-of date to update the definition of “savings deposits” in accordance with the amendments made to Regulation D in an interim final rule recently approved by the Board (Regulation D IFR).² 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 estimated total annual burden for the FR 2886b is 1,652 hours, and would not change as a result of the temporary revisions. 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, which are supervised by the Board. The Federal Reserve uses the FR 2886b data to help plan and target the scope of examinations of Edges and to evaluate applications from Edge corporations. 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.

Additionally, certain Edges engage in deposit-taking in the United States, and therefore conduct activities that affect the nation’s money supply. The Federal Reserve uses the FR 2886b data, in conjunction with data from the Federal Financial Institutions Examination Council.

² 85 FR 23445 (April 24, 2020).
Consolidated Reports of Condition and Income (Call Reports) (FFIEC 031, FFIEC 041, and FFIEC 051; OMB No. 7100-0036), in the construction of the monetary aggregates and aggregate statistics on bank credit, nondeposit funds, and assets and liabilities of commercial banks. The Federal Reserve also uses data from the FR 2886b 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. An Edge that is engaged in banking must file all supporting schedules; other Edges must file only four of the 11 supporting schedules. The four supporting schedules that investment Edge 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 all Edge and agreement corporations.

**Revisions to the FR 2886b**

The delegation of authority to the Board from OMB that permits the Board to approve collections of information under the Paperwork Reduction Act includes the authority to temporarily approve a collection of information without seeking public comment. To exercise this authority, the Board must determine that a new collection of information or a change to an existing collection must be instituted quickly and that public participation in the approval process would substantially interfere with the Board’s ability to perform its statutory obligation. Following the temporary approval of an information collection, the Board must conduct a normal delegated review of the collection within six months, including publishing a notice in the Federal Register seeking public comment.

Due to the elimination of reserve requirements and the financial disruptions related to the impact of coronavirus disease 2019 (COVID-19), the Board approved the Regulation D IFR, which amended Regulation D by deleting the six transfer limit from the “savings deposit” definition. The interim final rule included 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 made conforming changes to other definitions in Regulation D that refer to “savings deposit” as necessary. The interim final rule allows depository institutions 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.

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3 See 12 CFR 211.2(f).
A number of items in FR 2886b Schedule RC-E, Deposits, require Edge corporations to report the amount of savings deposits or to exclude savings deposits from the amount reported. The Board has temporarily revised the instructions to the FR 2886b effective beginning with the June 30, 2020, as-of date to update the definition of “savings deposits” in accordance with the Regulation D IFR. Accordingly, an Edge corporation that chooses to suspend enforcement of the six transfer limit on a “savings deposit” may continue to report that account as a “savings deposit” in the FR 2886b or may instead choose to report that account as a “transaction account.”

**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 should file the FR 2886b within 30 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. Respondents are urged to use the additional time only if absolutely necessary.

**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 the Freedom of Information Act (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.
Estimate of Respondent Burden

As shown in the table below, the estimated total annual burden for the FR 2886b is 1,652 hours, and is unchanged with the temporary revisions. 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>
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</thead>
<tbody>
<tr>
<td>Banking</td>
<td></td>
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<td></td>
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<tr>
<td>Edge and agreement corporations (quarterly)</td>
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<td>4</td>
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<td>568</td>
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<tr>
<td>Edge and agreement corporations (annual)</td>
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<td>Investment</td>
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<td>Edge and agreement corporations (quarterly)</td>
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<td>11.81</td>
<td>992</td>
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<tr>
<td>Edge and agreement corporations (annual)</td>
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<tr>
<td>Total</td>
<td></td>
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<td>1,652</td>
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</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 to the Federal Reserve System for collecting and processing the FR 2886b is $204,300.

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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](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, [https://www.bls.gov/news.release/ocwage.t01.htm](https://www.bls.gov/news.release/ocwage.t01.htm). Occupations are defined using the BLS Standard Occupational Classification System, [https://www.bls.gov/soc/](https://www.bls.gov/soc/).