

**Supporting Statement for the
Reporting, Recordkeeping, and Disclosure Requirements Associated with Regulation BB
(FR BB; OMB No. 7100-0197)**

*Community Reinvestment Act
(Docket No. R-1769) (RIN 7100-AG29)*

Summary

The Board of Governors of the Federal Reserve System (Board), under authority delegated by the Office of Management and Budget (OMB), has extended for three years, with revision, the Reporting, Recordkeeping, and Disclosure Requirements Associated with Regulation BB (FR BB; OMB No. 7100-0197). The Community Reinvestment Act (CRA)¹ was enacted in 1977 and is implemented by Regulation BB - Community Reinvestment (12 CFR Part 228). The CRA directs the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency (collectively, the agencies) to evaluate financial institutions' (banks and savings associations) records of helping to meet the credit needs of their entire communities, including low- and moderate-income areas, consistent with the safe and sound operation of the institutions. The CRA is implemented through regulations issued by the agencies. The Board's regulation applies to state member banks (SMBs).

The agencies adopted a final rule² that updates how CRA activities qualify for consideration, where CRA activities are considered, and how CRA activities are evaluated. The final rule revised the FR BB by (1) adding new reporting and recordkeeping requirements, (2) separating and clarifying requirements that were previously consolidated, and (3) updating section numbering and make further clarifications, as appropriate. The final rule is effective on April 1, 2024. Most of the rule requirements are effective on January 1, 2026, while data reporting requirements will be effective on January 1, 2027.

The current estimated total annual burden for the FR BB is 75,116 hours, and would increase to 105,455 with the revisions. The revisions would result in an increase of 30,339 hours.

Background and Justification

In 1995, the agencies issued substantially identical regulations under the CRA to reduce unnecessary compliance burden, promote consistency in CRA assessments, and encourage improved performance.³ The current reporting, recordkeeping, and disclosure requirements under Regulation BB are tailored to bank size in order to minimize burden on smaller banks, as discussed below.

¹ See 12 U.S.C. § 2901 et seq.

² 89 FR 6574 (February 1, 2024).

³ See 60 FR 22156 (May 4, 1995). On May 20, 2020, the Office of the Comptroller of the Currency published a final rule amending the CRA regulatory framework applicable to its supervised institutions. 85 FR 34734 (June 5, 2020). The final rule has an October 1, 2020, effective date; January 1, 2023, and January 1, 2024, compliance dates; and a January 1, 2024, expiration date (for the agency's existing CRA regulations).

Under Regulation BB, large banks are defined as those with assets of \$1.564 billion or more at the past two consecutive year-ends; all other banks are considered small banks or intermediate small banks.⁴ The agencies annually adjust for inflation the relevant asset-size thresholds and amend in their CRA regulations accordingly. This adjustment was most recently completed in December 2023 (effective January 1, 2024).⁵

Other than the information collections pursuant to Regulation BB (and, as referenced below, the Home Mortgage Disclosure Act (HMDA), which is implemented by Regulation C - Home Mortgage Disclosure (12 CFR Part 1003)), the Board has no information collection that supplies data regarding the community reinvestment activities of SMBs. Accordingly, the Board's ability to fulfill the statutory requirement to evaluate SMBs' CRA activities is dependent upon these information collections.

Description of Information Collection

The reporting, recordkeeping, and disclosure requirements associated with Regulation BB are summarized below and also listed in Attachment 1. An SMB that qualifies for evaluation under the small bank performance standards but elects evaluation under the lending, investment, and service tests associated with large banks will collect, maintain, and report the data required for large banks.⁶

Reporting Requirements

Section 228.25(b) - Request for designation as a wholesale or a limited purpose bank

The Board evaluates the performance of a wholesale or a limited purpose bank under the community development test specified in the regulation. An SMB wishing to be designated as a wholesale or limited purpose bank must file a request, in writing, with the Board at least 90 days prior to the proposed effective date of the designation.

Section 228.27 - Strategic plan

An SMB may elect to be assessed under a strategic plan if the SMB has submitted the plan to the Board, the Board has approved the plan, the plan is in effect, and the SMB has been operating under an approved plan for at least one year. The Board's approval of this plan does not affect the SMB's obligation, if any, to comply with the data collecting and reporting requirements under section 228.42.⁷ The plan may have a term of no more than five years; multi-year plans

⁴ Beginning January 1, 2024, banks or savings associations that, as of December 31 of either of the prior two calendar years, had assets of less than \$1.564 billion are small banks or small savings associations. Small banks or small savings associations with assets of at least \$391 million as of December 31 of both of the prior two calendar years and less than \$1.564 billion as of December 31 of either of the prior two calendar years are intermediate small banks or intermediate small savings associations. For the Paperwork Reduction Act respondent burden analysis included in this information collection renewal, the Board used the Small Business Administration's (SBA) small entity definition (entities with less than \$850 million in total assets).

⁵ See 88 FR 87895 (December 20, 2023).

⁶ 12 CFR 228.42(f).

⁷ See 12 CFR 228.27(b).

must include annual interim measurable goals. Before submitting a plan to the Board or amending⁸ a plan during its term, an SMB must seek suggestions from members of the public in its assessment area(s), formally solicit public comment for at least 30 days, and during the period of formal public comment make copies of the plan available for public review at its offices at no cost and by mail for a reasonable cost.

A strategic plan must include measurable goals for helping meet the credit needs of each assessment area covered by the plan, addressing the lending, investment, and service tests, as appropriate. A plan must specify goals that constitute “satisfactory” performance and also may specify goals that constitute “outstanding” performance. If an institution fails to meet its own goals for “satisfactory” performance, an SMB may elect in its plan to be evaluated under the other applicable performance test(s) specified in the regulation.

Section 228.42(b) - Loan information to be reported

Small business and small farm loan data. A large bank is required to report annually by March 1 to the Board in machine-readable form the following data for the preceding calendar year. For each geographical location in which a large bank originated or purchased a small business or small farm loan, it must report the aggregate number and amount of loans:

- of \$100,000 or less at origination,
- of more than \$100,000 at origination, but less than or equal to \$250,000 at origination,
- of more than \$250,000 at origination, and
- made to businesses and farms with gross annual revenues of \$1 million or less (using the revenues that the bank considered in making its credit decision).

Community development loan data. A large bank is also required to report annually by March 1 to the Board in machine-readable form the aggregate number and aggregate amount of community development loans originated or purchased in the preceding calendar year.

Home mortgage loan data. A large bank that is subject to reporting of home mortgage loan data under Regulation C is also required under Regulation BB to report annually by March 1 to the Board in machine-readable form certain home mortgage loan data. The paperwork burden for providing this data is associated with other clearances.⁹

Section 228.42(d) - Affiliate lending data

An SMB that elects to have the Board consider loans by an affiliate, for purposes of the lending or the community development test or an approved strategic plan, must collect, maintain, and report for those loans the data that the SMB would have collected, maintained, and reported had the loans been originated or purchased by the SMB. For home mortgage loans, the bank must also be prepared to identify the home mortgage loans reported by the affiliate under HMDA and Regulation C.

⁸ See 12 CFR 228.27(h) requiring that amendments to existing plans follow the public participation requirements associated with adoption of a new strategic plan.

⁹ See HMDA Loan/Application Register (FR HMDA-LAR; OMB No. 7100-0247 (Board) and OMB No. 3170-0008 (Consumer Financial Protection Bureau)).

Section 228.42(e) - Data on lending by a consortium or a third party

An SMB may elect to have the Board consider community development loans made by a consortium or a third party, for purposes of the lending or the community development tests or an approved strategic plan. If so, the SMB must report for those loans the data that the bank would have reported had the loans been originated or purchased by the SMB.

Section 228.42(g) - Assessment area delineation

Each SMB must delineate one or more assessment areas within which the Board evaluates its record of helping to meet the credit needs of its community.¹⁰ Large banks must also report the list of assessment areas to the Board by March 1 each year. Assessment areas consist generally of one or more metropolitan statistical areas (MSAs) or one or more contiguous political subdivisions, such as counties, cities, or towns. Assessment areas include the geographies in which a bank has its main office, branches, and deposit-taking automated teller machines, as well as the surrounding geographies in which the bank has originated or purchased a substantial portion of its loans. There are rules designed to prevent redlining (arbitrary exclusion of lower-income or minority neighborhoods) in the designation of assessment areas.

Recordkeeping Requirements

Section 228.42(a) - Loan information to be collected and maintained

A large bank is required to collect and maintain, in machine-readable form, until the completion of its next CRA examination, the following data for each small business or small farm loan originated or purchased:

- a unique number or alpha-numeric symbol used to identify the relevant loan file,
- the loan amount at origination,
- the loan location, and
- an indicator whether the loan was made to a business or a farm with gross annual revenues of \$1 million or less.

Section 228.42(c) - Consumer loan data

An SMB has the option to collect and maintain, in machine-readable form, data for consumer loans originated or purchased by the bank for consideration under the lending test. An SMB may maintain data for one or more of the following categories of consumer loans: motor vehicle, credit card, home equity, other secured, and other unsecured. If the SMB maintains data for loans in a certain category, it must maintain data for all loans originated or purchased within that category. The SMB must maintain data separately for each category and must include for each loan:

- a unique number or alpha-numeric symbol used to identify the relevant loan file,
- the loan amount at origination or purchase,
- the loan location, and

¹⁰ See 12 CFR 228.41.

- the gross annual income of the borrower that the SMB considered in making its credit decision.

At its option, an SMB may also provide other information concerning its lending performance, including additional loan distribution data.

Disclosure Requirements

Section 228.43 - Public file

All SMBs are required to maintain and make available to the public a file containing comments received from the public for the current year and each of the prior two calendar years and any response to the comments from the bank. The file also must contain a copy of the public section of the SMB's most recent CRA performance evaluation prepared by the Board, a list of the bank's open branches with addresses and geographies, a list of bank branches opened or closed during the current year and each of the prior two calendar years, a list of the services generally offered by the bank, and a map of each assessment area. The bank may include in the file any other information that it chooses.

Large banks must also include in the public file the CRA Disclosure Statement (section 228.42(h)) prepared by the Board for each of the prior two calendar years and, if applicable, information about consumer loan data. SMBs required to report data under HMDA and Regulation C must include in the public file a copy of the HMDA Disclosure Statement prepared by the Consumer Financial Protection Bureau for each of the prior two calendar years. In addition, any SMB that elects to have home mortgage lending of an affiliate in any of those years considered in its CRA evaluation must include in the public file the affiliate's HMDA Disclosure Statement for those years.

A small bank or an intermediate small bank must include in the public file the bank's loan-to-deposit ratio for each quarter of the prior calendar year, and if it elects to be evaluated under the lending, service, and investment tests the information required under the disclosure rules applicable to large banks.

An SMB that has, in accordance with section 228.27, submitted and been approved by the Board for assessment under a strategic plan must include a copy of the plan in the public file.

An SMB that received a rating worse than "satisfactory" during its most recent CRA examination must include in the public file a description of its efforts to improve its performance and update the description quarterly.

Section 228.44 - Public notice by banks

An SMB must provide in the public lobby of its main office and in each branch a prescribed notice informing consumers of their rights to certain information about the bank's operations and CRA performance as evaluated by the Board.

Respondent Panel

The FR BB panel comprises all SMBs (as defined by in 12 CFR 208.2(g)), bank holding companies (as defined in 12 U.S.C. § 1841), savings and loan holding companies (as defined in 12 U.S.C. § 1467a), foreign banking organizations (as defined in 12 CFR 211.21(o)), foreign banks that do not operate an insured branch, state branch, or state agency of a foreign bank (as defined in 12 U.S.C. §§ 3101(11) and (12), Edge or agreement corporations (as defined in 12 CFR 211.1(c)(2) and (3), and bank service providers

Frequency and Time Schedule

The reporting, recordkeeping, and disclosure requirements required by Regulation BB are either mandatory or required to obtain a benefit and depend on bank size and other factors. SMBs that are required to collect assessment area information, small business and small farm data, community development data, and home mortgage loan data must collect and report the data for the prior calendar year (as of December 31) to the Board in machine-readable form annually by March 1.

The Board uses the data to examine and assess SMBs' CRA records; to prepare the public sections of CRA performance evaluations; and to help evaluate applications for bank acquisitions and other transactions. The Board prepares annually for each SMB a public disclosure statement that contains, on a state-by-state basis, information on small farm, small business, and community development loans.

Together with the other agencies, the Board prepares annually for each MSA (including an MSA that crosses a state boundary) and for each non-MSA portion of each state, an aggregate disclosure statement of small business and small farm lending by all institutions subject to reporting requirements under the agencies' CRA regulations. These disclosure statements indicate, for each geography, the number and amount of all small business and small farm loans originated or purchased by reporting institutions, except that the Board may adjust the form of the disclosure if necessary to protect the privacy of a borrower or the competitive position of an institution. The Federal Financial Institutions Examination Council (FFIEC) also makes both statements available on the FFIEC CRA website <https://www.ffiec.gov/cra/>. The statements are usually available at each SMB and on the FFIEC website in late July.

Any SMB electing to submit a strategic plan to the Board must do so at least three months prior to the proposed effective date of the plan. The Board will act upon a plan within 60 calendar days after the Board receives the complete plan and other required material. If the Board fails to act within this 60 days, the plan shall be deemed approved unless the Board extends the review period for good cause. As indicated above, an SMB may not be evaluated under a strategic plan unless it has been operating under an approved plan for at least one year.

Revisions to the FR BB

Under the final rule, the Board added the following reporting and recordkeeping requirements to FR BB.

Reporting Requirements

Section 228.14(b)(1) provides that a bank may request that the Board confirm that a loan, investment, or service is eligible for community development consideration by submitting a request to, and in a format prescribed by the Board.

Section 228.42(b)(3) provides that a large bank with assets greater than \$10 billion report annually by April 1 to the Board in electronic form, as prescribed by the Board, deposits data for the previous calendar year including for each county, state, and multistate MSA and for the institution overall. The reporting must include the average annual deposit balances (calculated based on average daily balances as provided in statements such as monthly or quarterly statements, as applicable), in aggregate, of deposit accounts with associated addresses located in such county, state, or multistate MSA where available, and for the institution overall. Any other bank that opts to collect and maintain deposits data must report these data in the same form and for the same duration as described in this paragraph. A bank that reports deposits data for which a deposit location is not available must report these deposits at the nationwide area.

Section 228.42(c) provides that to the extent that its operations subsidiaries, or operating subsidiaries, as applicable, engage in retail banking services, retail banking products, community development lending, community development investments, or community development services, a bank must collect, maintain, and report data for these activities for purposes of evaluating the bank's performance. For home mortgage loans, a bank must be prepared to identify the loans reported by the operations subsidiary, or operating subsidiary, under 12 CFR Part 1003, if applicable, or collect and maintain home mortgage loans by the operations subsidiary or operating subsidiary that the bank would have collected and maintained under section 228.42(a)(3) had the loans been originated or purchased by the bank.

Recordkeeping Requirements

Section 228.42(a)(3) provides that a large bank subject to 12 CFR Part 1003 collect and maintain in prescribed electronic form, until the completion of the bank's next CRA examination in which the data are evaluated, data on home mortgage loan applications, originations, and purchases outside the MSAs in which the bank has a home or branch office (or outside any MSA) pursuant to the requirements in 12 CFR 1003.4(e). A large bank that is not subject to 12 CFR Part 1003 due to the location of its branches, but would otherwise meet the HMDA size and lending activity requirements pursuant to 12 CFR Part 1003, must collect and maintain in electronic form, until the completion of the bank's next CRA examination in which the data are evaluated, data on closed-end home mortgage loan, excluding multifamily loans, originated or purchased during the evaluation period.

Section 228.42(a)(4) provides that a large bank must collect and maintain in prescribed electronic form until the completion of its next CRA examination in which the data are evaluated, data on their retail banking services and retail banking products. These data include data regarding the bank's main offices, branches, and remote service facilities, and information with respect to retail banking services and retail banking products offered and provided by the bank during the evaluation period. Large banks with assets greater than \$10 billion, large banks

with assets of less than or equal to \$10 billion that do not operate any branches, and large banks that request additional consideration for digital delivery systems and other delivery systems, must collect and maintain data on the range of services and products offered through those systems and digital and other delivery systems activity by individuals, families, or households in low-, moderate-, middle-, and upper-income census tracts. Large banks may also submit any additional information not required that demonstrates that their digital delivery systems and other delivery systems serve the needs of low- and moderate-income individuals, families, or households and low- and moderate-income census tracts. Large banks with assets greater than \$10 billion or large banks with assets of less than or equal to \$10 billion that request additional consideration for deposit products responsive to the needs of low- and moderate-income individuals, families, or households must collect and maintain data including the number of responsive deposit products opened and closed in low-, moderate-, middle-, and upper-income census tracts, as well as the percentage of responsive deposit accounts in comparison to total deposit accounts. Pursuant to section 228.42(a)(4), a bank may opt to collect and maintain additional data not required that demonstrates that digital delivery systems and other delivery systems serve low- and moderate-income individuals, families, or households and low- and moderate-income census tracts and any other information that demonstrates the availability and usage of the bank's deposit products responsive to the needs of low- and moderate-income individuals, families, or households and low- and moderate-income census tracts in a format of the bank's own choosing.

Section 228.42(a)(5) provides that a large bank, a limited purpose bank that would be a large bank based on the asset size criteria described in the definition of a large bank, and an intermediate bank that opts to be evaluated under the Community Development Financing Test, collect and maintain until the completion of its next CRA examination in which the data are evaluated, the following data for community development loans and community development investments originated, purchased, refinanced, renewed, or modified by the bank: general information on community development loans and community development investments; specific community development loan or investment information; indicators of the impact and responsiveness of the loan or investment; allocation of the dollar volume of the community development loan or community development investment to geographic areas served by the loan or investment; location information; and other information relevant to determining that an activity meets the standards of a community development loan or community development investment. Large banks must collect and maintain this information in prescribed electronic form while an intermediate bank that opts to be evaluated under the Community Development Financing Test, must collect and maintain this information in the format used by the bank in the normal course of business.

Section 228.42(a)(6) provides that a large bank must collect and maintain in a format of the bank's choosing or in a standardized format provided by the agencies until the completion of its next CRA examination in which the data are evaluated, community development services data including community development services information, indicators of the impact and responsiveness of the activity, and location information.

Section 228.42(a)(7) provides that a large bank with assets greater than \$10 billion collect and maintain annually in prescribed electronic form until the completion of its next CRA

examination in which the data are evaluated, the dollar amount of its deposits at the county level based on deposit location. The bank should allocate the deposits for which a deposit location is not available to the nationwide area. Annual deposits must be calculated based on average daily balances as provided in statements such as monthly or quarterly statements. Any other bank that opts to collect and maintain deposits data must collect and maintain the data in the same form and for the same duration as described in this paragraph in prescribed electronic form, until the completion of the bank's next CRA examination in which the data are evaluated.

Under the final rule, the Board also revised the following reporting, recordkeeping, and disclosure requirements in FR BB.

Reporting Requirements

Section 228.26 provides that banks requesting a designation as a limited purpose bank must file a written request with the Board at least 90 days prior to the proposed effective date of the designation.

Section 228.27 provides that any bank may have its record of helping meet the credit needs of its entire community evaluated under a strategic plan, provided the Board has approved the plan, the plan is in effect, and the bank has been operating under an approved plan for at least one year. Section 228.27 sets forth the requirements for strategic plans, including the term of a plan; the treatment of multiple assessment areas; the treatment of operations subsidiaries or operating subsidiaries, as applicable, and affiliates that are not operations subsidiaries or operating subsidiaries; justification requirements; public participation; submission; content; and required amendments due to a change in material circumstances. Additionally, during the term of a plan, a bank could request that the Board approve an amendment to the plan in the absence of a change in material circumstances. A bank that requests such an amendment must provide an explanation regarding why it is necessary and appropriate to amend its plan goals.

Section 228.42(b)(1) provides that a large bank must report annually by April 1 to the Board in electronic form, as prescribed by the Board, certain aggregate data for the prior calendar year for small business loans or small farm loans for each census tract in which the bank originated or purchased such loans.

Section 228.42(b)(2) provides that a large bank and a limited purpose bank that would be a large bank based on the asset size described in the definition of a large bank must report annually by April 1 to the Board in electronic form, as prescribed by the Board, the following community development loan and community development investment data for the prior calendar year: general information on community development loans and community development investments; specific information on the community development loan or investment; indicators of the impact and responsiveness of the loan or investment; allocation of the dollar volume of the community development loan or community development investment to geographic areas served by the loan or investment; location information; other information relevant to determining that an activity meets the standards under community development; and allocation of dollar value of activity to counties served by the community development activity (if available).

Section 228.42(d) provides that a bank that elects to have retail banking services, retail banking products, community development lending, community development investments, or community development services engaged in by an affiliate (that is not an operations subsidiary or operating subsidiary) considered for purposes of this part must collect, maintain, and report the loans and investments, services, or products the bank would have collected, maintained, and reported under sections 228.42(a) and (b) had the loans, investments, services, or products been engaged in by the bank. For home mortgage loans, the bank must be prepared to identify the home mortgage loans reported by its affiliate under 12 CFR Part 1003, if applicable, or collect and maintain home mortgage loans by the affiliate that the bank would have collected and maintained under section 228.42(a)(3) had the loans been originated or purchased by the bank.

Section 228.42(e) provides that a bank that elects to have community development loans and community development investments by a consortium or third party be considered for purposes of this part must collect, maintain, and report the lending and investments data they would have collected, maintained, and reported under sections 228.42(a)(5) and (b)(2) if the loans or investments had been originated, purchased, refinanced, or renewed by the bank.

Section 228.42(f)(1) provides that a large bank and a limited purpose bank that would be a large bank based on the asset size criteria described in the definition of a large bank must collect and report by April 1 of each year a list of each facility-based assessment area showing the states, MSAs, and counties that make up each facility-based assessment area, as of December 31 of the prior calendar year, or the last date the facility-based assessment area was in effect, provided the facility-based assessment area was delineated for at least six months of the prior calendar year.

Section 228.42(f)(2) provides that a large bank with one or more retail lending assessment area delineated pursuant to section 228.17 must collect and report each year by April 1 a list of retail lending assessment area showing the states, MSAs and counties in the retail lending assessment area for the prior calendar year.

Recordkeeping Requirements

Section 228.42(a)(1) provides that a large bank must collect and maintain in prescribed electronic form, until the completion of its next CRA examination in which the data are evaluated, data on small business loans and small farm loans originated or purchased by the bank during the evaluation period.

Section 228.42(a)(2) provides that a large bank for which automobiles are a product line must collect and maintain in prescribed electronic form, until the completion of the bank's next CRA examination in which the data are evaluated, data on automobile loans originated or purchased by the bank during the evaluation period. A small or intermediate bank for which automobiles are a product line may collect and maintain the same automobile loan data in a format of the bank's choosing, including in an electronic form prescribed by the Board, until the completion of the bank's next CRA examination in which the data are evaluated.

Disclosures Requirements

Sections 228.43 and 228.44 provide that banks must maintain a public file, in either paper or digital format, that includes the information prescribed in each part. Banks are required to provide copies on request, either on paper or in another form acceptable to the person making the request, of the information in the bank's public file. A bank is also required to provide in the public area of its main office and branches the public notice set forth in Appendix F (CRA Notice).

In addition, the Board separated and clarified burden estimates that were previously consolidated. The Board also updated section numbering made further clarifications, as appropriate, in accordance with the final rule.

Public Availability of Data

The data described in this information collection may be found in SMBs' CRA performance evaluations and public files, on the Consumer Financial Protection Bureau's website, and on the FFIEC website.

Legal Status

The FR BB is authorized by section 806 of the CRA, which permits the Board to issue "[r]egulations to carry out the purposes of [the CRA]" (12 U.S.C. § 2905); section 11 of the Federal Reserve Act, which permits the Board to "require such statements and reports as it deems necessary" of state member banks (12 U.S.C. § 248(a)(1)); and section 9 of the Federal Reserve Act, which permits the Board to examine state member banks (12 U.S.C. § 325). Most of the reporting, recordkeeping, and disclosure requirements of Regulation BB are mandatory. However, there are several limited parts of the collection that are required to obtain a benefit: specifically, the request for designation as a wholesale or limited purpose bank, the strategic plan, and the reporting and recordkeeping requirements associated with data regarding consumer loans and lending performance, affiliate lending data, and data on lending by a consortium or a third party.

Most of the information collected under Regulation BB is not considered confidential. However, if a respondent elects to submit a strategic plan pursuant to 12 CFR 228.27, the respondent may submit additional information to the Board relating to the strategic plan on a confidential basis, so long as the goals in the plan are sufficiently specific to enable the public and the Board to judge the merits of the plan. The Board will determine whether the additional information is entitled to confidential treatment on a case-by-case basis.

To the extent a respondent submits information contained in or related to examination, operating, or condition reports prepared by, or on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions, the respondent may request confidential treatment pursuant to exemption 8 of the Freedom of Information Act (FOIA) (5 U.S.C. § 552(b)(8)). To the extent a respondent submits nonpublic commercial or financial information which is both customarily and actually treated as private by the respondent, the

respondent may request confidential treatment pursuant to exemption 4 of the FOIA (5 U.S.C. § 552(b)(4)).

Consultation Outside the Agency

The Board consulted with the FDIC and OCC on the revisions to the rulemaking and FR BB.

Public Comments

On June 3, 2022, the agencies published a notice of proposed rulemaking in the *Federal Register* (87 FR 33884) requesting public comment on the extension, with revision, of the FR BB. The comment period for this notice expired on August 5, 2022.

The agencies received four public comments that appear to relate to the Paperwork Reduction Act (PRA) addressing the agencies' estimated burden costs on the information collection requirements of the proposed rule. One commenter stated that the proposal would generally require considerable additional resources for implementation and ongoing costs to manage their CRA programs under the proposed rule. The commenter estimated that it could incur implementation costs of \$150,000. This commenter also believed that complying with the proposed rule would require substantially more time than the estimated yearly burden of 80 hours per year. Another commenter stated that the costs associated with implementing the proposal would be significantly greater than the agencies had estimated and could require significant investments at covered institutions, potentially including hiring several additional fulltime employees. This commenter requested that the agencies provide a more detailed explanation of their estimations of the proposed rule's costs. Another commenter believed the estimated burden of 80 hours per year was very low, suggesting that another 500 hours, minimum, would be required for compliance. The commenter stated that the proposed rule is complex and would require significant investment by covered institutions to achieve compliance. An additional commenter stated that the agencies provided insufficient support for their burden estimates. This commenter requested that the agencies provide more details on the breakdown of estimated compliance costs and an analysis of how the potential costs might impact economic output.

The agencies incorporated a number of changes into the final rule as a result of public comments received regarding compliance burden. The agencies have carefully reviewed their burden associated with reporting, recordkeeping, and disclosure for each section of the rule in light of these changes to the final rule and in consideration of the comments received. The agencies note that, consistent with the PRA, the PRA burden estimates reflect only the burden related to reporting, recordkeeping, and disclosure requirements in the final rule. PRA burdens, like compliance costs, may vary across institutions, and the agencies' PRA burden estimates are meant to be overall averages. The agencies do not have detailed data that would permit the agencies to precisely estimate the quantitative effect of the final rule for every type of institution. Accordingly, the burden estimates are shown based on the agencies' extensive experience with CRA compliance and estimating associated burden. The agencies estimated the associated burden by referencing the number of entities supervised by each agency and estimating the

frequency of response and the time per response. The agencies believe the estimates of burden hours are reasonable considering the reporting, recordkeeping, and disclosure requirements of the final rule.

Under the final rule, the agencies retained the information collection provisions of the proposed rule, with certain modifications. The agencies have included a reporting burden for the community development illustrative list and confirmation of eligibility process pursuant to section 228.14. The agencies have included a recordkeeping burden for Home Mortgage Loans pursuant to section 228.42(a)(3). The agencies have also removed reporting requirements for community development services pursuant to section 228.42(b)(4) and consumer loans data - automobile loans pursuant to section 228.42(b)(2). However, the recordkeeping requirements have been maintained for both provisions.

On February 1, 2024, the agencies published a final rule in the *Federal Register* (89 FR 6574). The final rule is effective on April 1, 2024.

Estimates of Respondent Burden

As shown in the table below, the estimated total annual burden for the FR BB is 75,116 hours, and would increase to 105,455 hours with the revisions. The burden estimates for reporting requirements related to loan data, other than community development loan data, include time estimates for geocoding easy- and hard-to-find loan geographies. The number of respondents for the non-optional reporting requirements (loan data and assessment area delineation) and optional reporting requirements (third-party and affiliate lending) are based on the number of CRA data respondents regulated by the Board. Optional reporting requirements for requests for strategic plan approvals and designations as a wholesale or a limited purpose bank are based on previous experience.¹¹ Optional recordkeeping requirement burden estimates for consumer loan data and other loan data are estimated based on a review of CRA performance evaluations. The burden for the public file disclosure requirements includes estimates for both the large and small bank requirements. The public file requirement burden estimate also includes an estimate of the time required for small banks, including intermediate small banks, to delineate an assessment area. These reporting, recordkeeping, and disclosure requirements represent approximately 1.5 percent of the Board's total paperwork burden.

¹¹ On average, the Board receives requests for two strategic plan approvals a year and less than one request for designation as a wholesale or a limited purpose bank a year.

FR BB	<i>Estimated number of respondents</i>	<i>Estimated annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
Reporting				
Section 228.25(b) Request for designation as a wholesale or a limited purpose bank	1	1	4	4
Section 228.27 Request for strategic plan approval	2	1	275	550
Sections 228.41 and 228.42(g) Assessment area delineation	117	1	2	234
Section 228.42(b) Loan data:				
Small business and small farm	113	1	8	904
Community development	98	1	13	1,274
HMDA out of MSA	117	1	253	29,601
Section 228.42(d) Affiliate lending data	5	1	38	190
Section 228.42(e) Data on lending by a consortium or a third party	12	1	17	204
Recordkeeping				
Section 228.42(a) Small business and small farm loan register	113	1	219	24,747
Section 228.42(c):				
Consumer loan data	28	1	326	9,128
Other loan data	20	1	25	500
Disclosure				
Sections 228.43 and 228.44 Content and availability of public file and public notice by banks	778	1	10	<u>7,780</u>
<i>Current Total</i>				75,116
Proposed				
Reporting				
Section 228.14(b)(1) Request for confirmation of eligibility	18	1	8	144
Section 228.26 Limited purpose banks	1	1	4	4
Section 228.27 Strategic plan	3	1	400	1,200
Section 228.42(b)(1) Small business and small farm loan data	106	1	8	848

Section 228.42(b)(2) Community development loan and community development investment data	112	1	8	896
Section 228.42(b)(3) Deposits data	35	1	8	280
Section 228.42(c) Data on operations subsidiaries/operating subsidiaries	139	1	38	5,282
Section 228.42(d) Data on other affiliates	238	1	38	9,044
Section 228.42(e) Data on community development financing by a consortium or a third party	5	1	17	85
Section 228.42(f)(1) Facility-based assessment areas data	112	1	2	224
Section 228.42(f)(2) Retail lending assessment areas	8	1	4	32
Recordkeeping				
Section 228.42(a)(1) Small business and small farm loan data	106	1	219	23,214
Section 228.42(a)(2) Consumer loan data - automobile loans	2	1	75	150
Section 228.42(a)(3) Home mortgage loans	14	1	8	112
Section 228.42(a)(4) Retail banking services and retail banking products data	107	1	50	5,350
Section 228.42(a)(5) Community development loan and community development investment data	113	1	300	33,900
Section 228.42(a)(6) Community development services data	112	1	50	5,600
Section 228.42(a)(7) Deposits data	35	1	350	12,250
Disclosure				
Sections 228.43 and 228.44 Content and availability of public	684	1	10	<u>6,840</u>

file and Public notice by banks ¹²	
<i>Proposed Total</i>	105,455
<i>Change</i>	30,339

The estimated total annual cost to the public for the FR BB is \$5,246,853, and would increase to \$7,366,032 with the revisions.¹³

Sensitive Questions

This information collection contains 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 this information collection is \$677,300.

¹² Of these respondents, 464 are considered small entities as defined by the Small Business Administration (i.e., entities with less than \$850 million in total assets). Size standards effective March 17, 2023. See <https://www.sba.gov/document/support-table-size-standards>.

¹³ Total cost to the responding public is estimated using the following formula: total burden hours, multiplied by the cost of staffing, where the cost of staffing is calculated as a percent of time for each occupational group multiplied by the group's hourly rate and then summed (30% Office & Administrative Support at \$23, 45% Financial Managers at \$84, 15% Lawyers at \$85, and 10% Chief Executives at \$124). Hourly rates for each occupational group are the (rounded) mean hourly wages from the Bureau of Labor Statistics (BLS), *Occupational Employment and Wages, May 2023*, published April 3, 2024, <https://www.bls.gov/news.release/ocwage.t01.htm>. Occupations are defined using the BLS Standard Occupational Classification System, <https://www.bls.gov/soc/>.

Attachment 1
Summary of Annual Reporting, Recordkeeping, and Disclosure Requirements
Associated with Regulation BB

Requirements	Reporting	Recordkeeping	Disclosure
<i>Assessment area (228.41, 228.42(g))</i>			
Large banks ¹⁴	Report list of geographies in assessment area(s)	Collect list of geographies in assessment area(s)	
<i>Small business and small farm loan data (228.42(b)(1))</i>			
Large banks	Report aggregate number and amount of loans: <ul style="list-style-type: none"> • \$100,000 or less at origination, • More than \$100,000, but less than or equal to \$250,000 at origination, • More than \$250,000 at origination, and • to business or farm with gross annual revenue of \$1 million or less 		
<i>Community development loan data (228.42(b)(2))</i>			
Large banks	Aggregate number and amount of community development loans originated or purchased		
<i>Home mortgage loan data (228.42(b)(3))</i>			
Large banks	<i>If applicable:</i> Location of each loan application, origination, or purchase outside of MSAs where bank has offices (property location)		

¹⁴ For the purpose of this attachment, large banks are defined as any bank other than a small bank or an intermediate small bank, as defined by Regulation BB, or any small bank or an intermediate small bank electing not to employ the reporting exemptions available to small banks.

Requirements	Reporting	Recordkeeping	Disclosure
<i>Request for designation as a wholesale or a limited purpose bank (optional) (228.25(b))</i>			
All banks	Request in writing filed with the Board three months in advance of proposed effective date of designation		
<i>Strategic plan (optional) (228.27)</i>			
All banks	Submitted to and approved by the Board		
<i>Affiliate lending data (optional) (228.42(d))</i>			
All banks	Loan data the bank would have reported had the loans been originated or purchased by the bank	Loan data the bank would have collected and maintained had the loans been originated or purchased by the bank ¹⁵	
<i>Data on lending by a consortium or a third party (optional) (228.42(e))</i>			
All banks	Loan data the bank would have reported had the loans been originated or purchased by the bank		
<i>Small business and small farm loan register (228.42(a))</i>			
Large banks		Must collect and maintain: <ul style="list-style-type: none"> • unique number or alpha-numeric symbol, • loan amount, • loan location, and • indicator whether loan was to business or farm with gross annual revenues of \$1 million or less 	

¹⁵ For home mortgage loans, the bank must be prepared to identify the home mortgage loans reported by the affiliate under HMDA and Regulation C.

Requirements	Reporting	Recordkeeping	Disclosure
<i>Consumer loan data (optional) (228.42(c)(1))</i>			
All banks		Loans originated or purchased: <ul style="list-style-type: none"> • unique number or alpha-numeric symbol, • loan amount, • loan location, and • borrower's gross income considered in making credit decision 	
<i>Other loan data (optional) (228.42(c)(2))</i>			
All banks		Other lending performance information	
<i>Public file (228.43)</i>			
All banks			<ul style="list-style-type: none"> • comment letters and responses (current and prior two years) • public section of most recent CRA performance evaluation • list of bank branches • list of branch openings and closings • list of services offered • map of each assessment area <p><i>if applicable:</i></p> <ul style="list-style-type: none"> • strategic plan • description of current efforts to improve its CRA performance

Requirements	Reporting	Recordkeeping	Disclosure
Large banks			<ul style="list-style-type: none"> • CRA Disclosure Statements (prior two years) <i>if applicable:</i> • consumer loan data (prior two years) • HMDA Disclosure Statements (prior two years)
Small banks and intermediate small banks			<ul style="list-style-type: none"> • loan-to-deposit ratio; each quarter prior year <i>if applicable:</i> • information required under disclosure rules for large banks
<i>Public notice (228.44)</i>			
All banks			Prescribed notices informing consumers of their rights to certain information