

**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 (Board), under authority delegated by the Office of Management and Budget (OMB), has extended for three years, with revision, the reporting requirements associated with 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 Board adopted numerous revisions to the FR 1583, which was originally established by the former Office of Thrift Supervision (OTS) when it supervised SLHCs. Supervisory functions of the OTS relating to SLHCs were transferred to the Board in 2011.¹ As described in more detail below, the changes have modified the FR 1583 to make it consistent with the format of other Board forms and to incorporate references to the Board's regulations.

The estimated total annual burden for the FR 1583 is 67 hours, and the adopted revisions result in no change in the net burden. The form and instructions are available on the Board's public website at <https://www.federalreserve.gov/apps/reportforms/slhc/otsforms.aspx>.

Background and Justification

Section 10(f) of the Home Owners' Loan Act (HOLA) (12 U.S.C. 1467a(f)) and section 238.103 of the Board's Regulation LL - Savings and Loan Holding Companies (12 CFR 238.103) provide that every savings association that is a subsidiary of an SLHC is required to file a notice with the Board at least 30 days before the proposed declaration of a dividend by its board of directors. The notice requirement helps the Board determine whether a proposed dividend raises safety or soundness concerns, would result in the savings association being undercapitalized, or would be inconsistent with any statute, regulation, enforcement action, or regulatory agreement, formal or informal. This information is not available from other sources.

Description of Information Collection

Savings association subsidiaries of SLHCs must provide prior notice of a dividend by filing form FR 1583 with the appropriate Reserve Bank. The FR 1583 requires information regarding the date of the filing and the nature and amount of the proposed dividend, as well as the names and signatures of the executive officer and secretary of the savings association that is providing the notice. The FR 1583 notice may include a schedule proposing dividends over a period specified by the notificant, not to exceed 12 months.

¹ Title III of the Dodd-Frank Wall Street Reform and Consumer Protection Act (P.L. 111-203; 12 U.S.C. Subchapter III) abolished the OTS and transferred the functions of the OTS to several other banking agencies, effective July 21, 2011. In particular, all functions of the OTS relating to supervision of SLHCs (including rulemaking and creation of relevant forms) were transferred to the Board.

Respondent Panel

The FR 1583 panel comprises savings association subsidiaries of SLHCs.

Adopted Revisions to the FR 1583

The Board adopted several revisions to make the FR 1583 consistent with the format of other Board forms and to reflect the Board's regulations. Specifically, the Board adopted the following revisions:

1. Adding an item requiring the filer to identify the "Nature of the Dividend." Board regulations permit a dividend to consist of the distribution of cash or other property, or any transaction that is substantively a dividend, as provided by the Board (12 CFR 238.102(d)). The Reserve Bank must know the nature of the dividend to review the notice for consistency with the Board's regulations.
2. Adding an item requesting date of filing. This information is customarily requested in Board reporting forms so that the timing of filings can be tracked.
3. Deleting an item asking the filer to select whether the institution qualifies or does not qualify for expedited treatment. The Board's regulations do not provide for expedited treatment of notices of proposed declarations of dividends.
4. Deleting an item asking the filer to select whether the submission is a notice or application. The Board's regulations provide that a filer provide notice, rather than an application, to the appropriate Reserve Bank (12 CFR 238.103).
5. Deleting an item allowing institutions to attach additional information required pursuant to the OTS's regulations (12 CFR 563.143). The Board does not have analogous regulations.
6. Adding the option to submit the FR 1583 electronically by Portable Document Format. Use of electronic submissions will reduce burden on both the filer and the Board.
7. Adding two items for the printed name of the firm Executive Officer and Secretary who sign the FR 1583. This change will help Federal Reserve identify the individuals associated with the filing.

Time Schedule for Information Collection

The information required by the FR 1583 collection is event-generated (before a proposed declaration of a dividend by a savings association subsidiary of an SLHC).

Legal Status

The FR 1583 is authorized by section 10(f) of HOLA (12 U.S.C. § 1467a(f)). Section 10(f) of HOLA 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 Board also has the authority to require reports from savings and loan holding companies under section 10(a) and (b) of HOLA (12 U.S.C. §§ 1467a(b) and (g)). The FR 1583 is mandatory.

Individual respondents may request that information submitted on the FR 1583 be kept confidential on a case-by-case basis. If a respondent requests confidential treatment, the Board will determine whether the information is entitled to confidential treatment on an ad hoc basis. Requests filed pursuant to the FR 1583 may include information related to the SLHC’s business operations, such as terms and sources of the funding for dividends and pro forma balance sheets. This information may be kept confidential under exemption 4 for the Freedom of Information Act, which protects privileged or confidential commercial or financial information (5 U.S.C. § 552(b)(4)).

Consultation Outside the Agency

There has been no collaboration outside the Federal Reserve System.

Public Comments

On June 17, 2019, the Board published an initial notice in the *Federal Register* (84 FR 28049) requesting public comment for 60 days on the extension, with revision, of the FR 1583. The comment period for this notice expired on August 16, 2019. The Board did not receive any comments. On September 26, 2019, the Board published a final notice in the *Federal Register* (84 FR 50839).

Estimate of Respondent Burden

As shown in the table below, the estimated total annual burden for the FR 1583 is 67 hours, and would stay the same with the adopted revisions. These reporting requirements represent less than 1 percent of the Board’s total paperwork burden.

FR 1583	<i>Estimated number of respondents²</i>	<i>Annual frequency³</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
Notice of Proposed Declaration of Dividend	122	2	0.275	67

The estimated total annual cost to the public for this information collection is \$3,859.⁴

² Of these respondents, 68 are considered small entities as defined by the Small Business Administration (i.e., entities with less than \$550 million in total assets), <https://www.sba.gov/document/support--table-size-standards>. There are no special accommodations provided to mitigate the burden on small entities.

³ This estimate is based on the average number of FR 1583 forms received annually, per respondent, for calendar years 2016 through 2018.

⁴ 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 \$19, 45% Financial Managers at \$71, 15% Lawyers at \$69, and 10% Chief Executives at \$96). 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 2018*, published March 29, 2019, <https://www.bls.gov/news.release/ocwage.t01.htm>. Occupations are defined using the BLS Standard Occupational Classification System, <https://www.bls.gov/soc/>.

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