

**Supporting Statement for the
Written Security Program for State Member Banks
(FR 4004; OMB No. 7100-0112)**

Summary

The Board of Governors of the Federal Reserve System (Board), under authority delegated by the Office of Management and Budget (OMB), proposes to extend for three years, without revision, the Written Security Program for State Member Banks (FR 4004; OMB No. 7100-0112). This information collection arises from a recordkeeping requirement contained in section 208.61 of the Board's Regulation H - Membership of State Banking Institutions in the Federal Reserve System (12 CFR 208), which requires each state member bank to develop and maintain a written security program for the bank's main office and branches within 180 days of becoming a member of the Federal Reserve System. There is no formal reporting form for this collection of information (the FR 4004 designation is for internal purposes only)

The estimated total annual burden for the FR 4004 is 70 hours.

Background and Justification

Section 3 of the Bank Protection Act of 1968, as amended,¹ requires the Board to promulgate rules establishing minimum standards for state member banks regarding the installation, maintenance, and operation of security devices and the maintenance of procedures to discourage robberies, burglaries, and larcenies and to assist in the identification and apprehension of persons who commit such acts. Section 208.61 of the Board's Regulation H implements this statutory provision and requires state member banks to adopt a written security program, designate a security officer who administers the security program, and maintain certain security devices. The requirements of section 208.61 of Regulation H, including the required contents of the written security program discussed below, were developed following extensive consultation with the banking community, law enforcement officials, insurance representatives, security equipment specialists, and the other federal banking regulatory agencies regarding the minimum standards needed to deter crimes against financial institutions and assist in the apprehension of perpetrators of such crimes. In the absence of this recordkeeping requirement, this information would not be available from other sources.

Description of Information Collection

Each state member bank must keep a written security program. The program must be developed by a security officer designated by the bank's board of directors. This program must establish procedures for opening and closing for business and for the safekeeping of all currency, negotiable securities, and similar valuables; establish procedures that will assist in identifying persons committing crimes against the institution and that will preserve evidence that may aid in their identification and prosecution; provide for initial and periodic security training of officers and employees in their responsibilities under the security program and in proper employee

¹ 12 U.S.C. § 1882.

conduct during and after a burglary, robbery, or larceny; and provide for selecting, testing, operating, and maintaining appropriate security devices.

The Board understands that respondents use information technology to comply with these provisions, including maintaining written security programs in electronic form.

Respondent Panel

The FR 4004 panel comprises state member banks. There are no special accommodations given to mitigate the burden on small institutions.

Frequency and Time Schedule

A state member bank must implement a written security program within 180 days of becoming a member of the Federal Reserve System. The state member bank must keep a copy of its current written security program. Continued recordkeeping of the written security program is necessary to ensure the proper implementation, administration, and effectiveness of the security program. The written security program is a recordkeeping requirement, and copies of the program are not collected by the Federal Reserve System or published. Bank examiners verify compliance with this recordkeeping requirement during examinations of state member banks.

Public Availability of Data

There are no data related to this information collection available to the public.

Legal Status

Section 3 of the Bank Protection Act of 1968 authorizes the FR 4004 recordkeeping requirement.² The FR 4004 is mandatory.

Entities subject to the FR 4004 recordkeeping requirement generally are not required to provide such information to the Board. If the Board obtained information retained pursuant to the FR 4004 as part of an examination or supervision of a financial institution, it may be considered confidential under exemption 8 of the Freedom of Information Act (FOIA).³ Information provided under the FR 4004 may also be kept confidential under FOIA exemption 4 as confidential commercial or financial information that is both customarily and actually treated as private.⁴

Consultation Outside the Agency

² 12 U.S.C. § 1882(a) (requiring federal banking agencies, including the Board, to issue rules establishing minimum standards for banks with respect to the installation, maintenance, and operation of security devices and procedures to discourage robberies, burglaries, and larcenies and to assist in the identification and apprehension of persons who commit such acts).

³ 5 U.S.C. § 552(b)(8).

⁴ 5 U.S.C. § 552(b)(4).

There has been no consultation outside the Federal Reserve System.

Public Comments

On March 27, 2025, the Board published an initial notice in the *Federal Register* (90 FR 13864) requesting public comment for 60 days on the extension, without revision, of the FR 4004. The comment period for this notice will expire on May 27, 2025.

Estimate of Respondent Burden

As shown in the table below, the estimated total annual burden for the FR 4004 is 70 hours. The estimated number of new respondents is based on the average number of state member bank applications approved annually during the calendar years 2021 through 2023. The Board believes it is usual and customary for a state member bank to maintain a written security program. Therefore, the Board has excluded the time and financial resources necessary to create a written security program from its estimated average burden for the FR 4004. The Board estimates that, because of the specific requirements of section 208.61 of Regulation H, a new state member bank will, on average, require five additional hours to create a written security program that is compliant with that section than would be usual and customary in the creation of a written security program. The burden estimate was adjusted up using the standard Board burden calculation methodology. The Board does not estimate that an existing state member bank would incur any additional ongoing recordkeeping burden to keep the records required by section 208.61 of Regulation H beyond what is usual and customary to maintain a written security program. These recordkeeping requirements represent less than 1 percent of the Board's total paperwork burden.

FR 4004	<i>Estimated number of respondents⁵</i>	<i>Estimated annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
Section 208.61	14	1	5	<u>70</u>
<i>Total</i>				70

The estimated total annual cost to the public for the FR 4004 is \$4,890.⁶

⁵ Of these respondents to this information collection, 8 respondents 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>. There are no special accommodations given to mitigate the burden on small institutions.

⁶ 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/>.

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 is negligible.