

Supporting Statement for the Investment in Bank Premises Notification (FR 4014; OMB No. 7100-0139)

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 Investment in Bank Premises Notification (FR 4014; OMB No. 7100-0139).¹ The Federal Reserve Act (FRA) requires a state member bank, under certain circumstances, to seek prior approval from the Board before making an investment in bank premises or the securities of a corporation holding its bank premises. The Board has implemented this requirement in its Regulation H - Membership of State Banking Institutions in the Federal Reserve System (12 CFR Part 208), which requires a state member bank seeking to make such an investment to provide prior notice to the appropriate Federal Reserve Bank. The Board uses the information provided in the notice to determine whether to object to the proposed investment.

The estimated total annual burden for the FR 4014 is 25 hours.

Background and Justification

Under section 208.21(a) of Regulation H, which implements section 24A of the FRA, a state member bank is required under certain circumstances to provide notice to the appropriate Federal Reserve Bank prior to investing in bank premises or in the stock, bonds, debentures, or other such obligations of any corporation holding the premises of such bank, or making loans to or upon the security of any such corporation (collectively, a bank premises investment). Under section 24A of the FRA and section 208.21 of Regulation H, a state member bank need not provide notice where the aggregate of all its bank premises investments, together with the amount of any indebtedness incurred by any affiliate corporation holding the bank's premises, is less than or equal to the amount of the bank's capital stock and surplus, as defined in section 208.21(a)(2) of Regulation H. Further, a state member bank that is well capitalized and would remain so upon consummation of the investment and has a composite CAMELS rating² of 1 or 2 need not provide prior notice where the aggregate of all its bank premises investments, together with the amount of any indebtedness incurred by any affiliate corporation holding the bank's premises, is less than 150 percent of the bank's capital stock and surplus, as defined in section 208.21(3)(i) of Regulation H. Otherwise, state member banks are required to provide prior notice of a bank premises investment with the appropriate Reserve Bank under section 208.21(a)(1) of Regulation H. The Board uses the information in the notice to determine if the proposal is financially sound and consistent with prudent banking practices. This information is not available from other sources.

¹ There is no formal reporting form for this collection of information (the FR 4014 designation is for internal purposes only).

² The CAMELS name is an acronym for the six types of risk components assessed in a rating that summarizes a financial institution's financial condition and performance: (C) capital adequacy risk, (A) asset quality risk, (M) management risk, (E) earnings risk, (L) liquidity risk, and (S) sensitivity to market risk.

Description of Information Collection

There is no prescribed form for an investment in bank premises notice. State member banks are encouraged to submit their notice electronically through the Federal Reserve System's web-based platform, FedEZFile.³ A state member bank may alternatively submit a notice via email to the Federal Reserve Bank that has direct supervisory responsibility for the state member bank submitting the notice. The notice must be submitted at least 15 days prior to the subject investment and must identify the relevant filing requirement, state the facts involved in the proposed investment, and describe the reasons why the Board should not object to the notice. The Board sends its decision to the state member bank via FedEZFile.

Respondent Panel

The FR 4014 panel comprises state member banks.

Frequency and Time Schedule

The FR 4014 is event-generated. A notice required by section 208.21 of Regulation H must be filed at least 15 days prior to a proposed investment in bank premises.

Public Availability of Data

No data collected by this information collection is published.

Legal Status

The FR 4014 is authorized by section 24A(a) of the Federal Reserve Act (FRA), which requires that state member banks obtain Board approval prior to investing in bank premises that exceed statutory thresholds.⁴ In addition, the FR 4014 is authorized by section 11(a) of the FRA, which authorizes the Board to require such statements and reports of state member banks as the Board may deem necessary.⁵ FR 4014 is required to obtain a benefit.

A state member bank's notification to a Reserve Bank may request confidential treatment of the information contained in the FR 4014 in accordance with the Board's Rules Regarding Availability of Information.⁶ Requests for confidential treatment of information are reviewed on a case-by-case basis. Information provided on the FR 4014 may be exempt from disclosure pursuant to exemption 4 of the Freedom of Information Act (FOIA) if it is nonpublic commercial

³ <https://www.federalreserve.gov/supervisionreg/afi/afi.htm>.

⁴ 12 U.S.C. § 371d(a).

⁵ 12 U.S.C. § 248(a)(1).

⁶ 12 CFR 261.17.

or financial information that is both customarily and actually treated as private by the respondent.⁷

Consultation Outside the Agency

There has been no consultation outside the Federal Reserve System.

Public Comments

On April 2, 2025, the Board published an initial notice in the *Federal Register* (90 FR 14442) requesting public comment for 60 days on the extension, without revision, of the FR 4014. The comment period for this notice expires on June 2, 2025.

Estimate of Respondent Burden

As shown in the table below, the estimated total annual burden for the FR 4014 is 25 hours, based on an estimated average response time of one hour. Because this information collection is event generated, it is not possible to predict exactly how many notices would be filed in a particular year. The average annual number of notices received in 2022 to 2023 was 25. These reporting requirements represent less than 1 percent of the Board’s total paperwork burden.

FR 4014	<i>Estimated number of respondents⁸</i>	<i>Estimated annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
Section 208.21	25	1	1	25

The estimated total annual cost to the public for the FR 4014 is \$1,746.⁹

Sensitive Questions

This collection of information contains no questions of a sensitive nature, as defined by OMB guidelines.

⁷ 5 U.S.C. § 552(b)(4) (exempting “trade secrets and commercial or financial information obtained from a person and privileged or confidential”).

⁸ Of these respondents to this information collection, 14 respondents are considered small entities as defined by the Small Business Administration (i.e., entities with less than \$850 million in total assets), <https://www.sba.gov/document/support-table-size-standards>. There are no special accommodations given to mitigate the burden on small institutions.

⁹ 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/>.

Estimate of Cost to the Federal Reserve System

The estimated cost to the Federal Reserve System for this information collection is \$5,200.