

**Supporting Statement for the  
Notice of Proposed Stock Redemption  
(FR 4008; OMB No. 7100-0131)**

**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 filing requirements associated with the Notice of Proposed Stock Redemption (FR 4008; OMB No. 7100-0131).<sup>1</sup> The Bank Holding Company Act of 1956 (BHC Act) and the Board's Regulation Y - Bank Holding Companies and Change in Bank Control (12 CFR 225) require a bank holding company (BHC), under certain circumstances, to seek the prior approval of the Board before purchasing or redeeming its equity securities. Due to the limited information that a BHC must provide in connection with any such request, there is no required reporting form, and each request for prior approval is generally filed 30 days before the proposed stock purchase or redemption as a notification with the Reserve Bank that has direct supervisory responsibility for the requesting BHC. The Federal Reserve uses the information provided in the redemption notice to supervise BHCs.

The estimated total annual burden for the FR 4008 is 31 hours.

**Background and Justification**

Under section 225.4(b)(1) of Regulation Y, a BHC is required to obtain prior Board approval before purchasing or redeeming its equity securities if the gross consideration for the purchase or redemption (when aggregated with the net consideration paid by the company for all such purchases or redemptions during the preceding twelve months) is equal to 10 percent or more of the company's consolidated net worth.<sup>2</sup> A BHC is exempt from this requirement if it is well-capitalized before and immediately after the redemption, is well managed, and is not the subject of any unresolved supervisory issues,<sup>3</sup> or if it is subject to the capital plan rule (12 CFR 225.8).<sup>4</sup> The Board uses the information provided, along with available supervisory and financial information, to determine whether to approve the request.

The Board may disapprove a purchase or redemption request if the proposal would constitute an unsafe or unsound practice or violate any law, regulation, Board order or directive, or any condition imposed by, or written agreement with, the Board. In determining whether a proposal constitutes an unsafe or unsound practice, the Board must consider whether, after the proposed purchase or redemption, the financial condition of the BHC would meet the financial standards applied under section 3 of the BHC Act, including the Board's regulatory capital rules

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<sup>1</sup> There is no formal reporting form for this collection of information (the FR 4008 designation is for internal purposes only).

<sup>2</sup> 12 CFR 225.4(b)(1). Net consideration is the gross consideration paid by the BHC for all its equity securities purchased or redeemed during the period minus the gross consideration received for all of its equity securities sold during the period.

<sup>3</sup> See 12 CFR 225.4(b)(6). The definitions of "well-capitalized" and "well managed" are provided in sections 225.2(r) and (s) of Regulation Y.

<sup>4</sup> See 12 CFR 225.4(b)(7).

(Regulation Q; 12 CFR Part 217) and the Board's Policy Statement for Small Bank Holding Companies (Appendix C of Regulation Y), as applicable.

This information is not available from other sources.

### **Description of Information Collection**

The FR 4008 is required for certain BHCs to obtain the benefit of being able to purchase or redeem their equity securities. Under Regulation Y, a notice must be in writing, either through email or mailed letter and be filed directly with the appropriate Reserve Bank,<sup>5</sup> and must include the following information:

- Purpose of the transaction,
- Description of the type and amount of securities to be purchased or redeemed,
- Total number of each class of shares outstanding,
- Gross consideration to be paid,
- Terms and sources of the funding for the proposal,
- Description of all equity securities redeemed within the preceding twelve months, the net consideration paid, and the terms of any debt incurred in connection with the redemptions, and
- Current and pro forma balance sheets and other financial data.<sup>6</sup>

If the Board disapproves a BHC's proposed stock purchase or redemption, the BHC may submit a written request for a hearing. A stock purchase or redemption notice may be filed with related applications under the BHC Act, Bank Merger Act, or Change in Bank Control Act.<sup>7</sup>

### **Respondent Panel**

The FR 4008 panel comprises BHCs.

### **Frequency and Time Schedule**

The FR 4008 is event-generated. The notice is filed 30 days prior to the contemplated stock purchase or redemption. If the Board disapproves a BHC's proposed stock purchase or redemption, the BHC may submit a written request for a hearing within ten calendar days of receipt of the notice of disapproval from the Board.

### **Public Availability of Data**

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<sup>5</sup> The appropriate Reserve Bank is the one that has direct supervisory responsibility for the requesting BHC.

<sup>6</sup> BHCs not subject to the Small Bank Holding Company Policy Statement generally provide pro forma consolidated data; BHCs subject to the Small Bank Holding Company Policy Statement generally provide only pro forma parent-only data. The larger BHCs provide risk-based capital ratio and leverage ratio calculations and a parent-only pro forma balance sheet as of the most recent quarter, if the redemption is to be debt-funded. The smaller BHCs provide a parent-only pro forma balance sheet and, if the redemption is debt-funded, a one-year income statement, and cash flow projections.

<sup>7</sup> A stock purchase or redemption notice may be filed with the Interagency Notice of Change in Control; Interagency Notice of Change in Director or Senior Executive Officer; and Interagency Biographical and Financial Report (FR 2081a, b, and c; OMB No. 7100-0134).

No data collected by this information collection are published.

## **Legal Status**

The FR 4008 is authorized pursuant to sections 5(b) and 5(c) of the BHC Act.<sup>8</sup> Section 5(b) of the BHC Act, as amended by section 616 of the Dodd-Frank Wall Street Reform and Consumer Protection Act,<sup>9</sup> authorizes the Board to “issue such regulations and orders, including regulations and orders relating to the capital requirements for bank holding companies, as may be necessary to enable it to administer and carry out the purposes of this chapter and prevent evasions thereof.” Section 5(c) of the BHC Act generally authorizes the Board to require reports from BHCs regarding the BHC’s financial condition, risk management, transactions with subsidiaries, and compliance with laws and regulations.

The FR 4008 is required for certain BHCs to obtain the benefit of being able to purchase or redeem their equity securities.

Individual respondents may request that data submitted 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 may include information related to the BHC’s business operations, such as terms and sources of the funding for the redemption and pro forma balance sheets. To the extent that this information constitutes nonpublic commercial or financial information, which is both customarily and actually treated as private by the respondent, it may be kept confidential under exemption 4 of the Freedom of Information Act, which exempts “trade secrets and commercial or financial information obtained from a person and privileged or confidential.”<sup>10</sup>

## **Consultation Outside the Agency**

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 13862) requesting public comment for 60 days on the extension, without revision, of the FR 4008. The comment period for this notice expires on May 27, 2025.

## **Estimate of Respondent Burden**

As shown in the table below, the estimated total annual burden for the FR 4008 is 31 hours. 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 annual number of notices received

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<sup>8</sup> 12 U.S.C. § 1844(b)–(c).

<sup>9</sup> Pub. L. 111-203 § 616(a), 124 Stat. 1376, 1615 (2010).

<sup>10</sup> 5 U.S.C. § 552(b)(4).

over the last two years is two. The average hours per response is based on the estimate that the FR 4008 filing would require one person to spend 15.5 hours to complete. These reporting requirements represent less than 1 percent of the Board’s total paperwork burden.

<b>FR 4008</b>	<i>Estimated number of respondents<sup>11</sup></i>	<i>Estimated annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
Section 225.4(b)(1)	2	1	15.5	31

The estimated total annual cost to the public for the FR 4008 is \$2,165.<sup>12</sup>

## **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 this information collection is negligible.

<sup>11</sup> Both of these 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.

<sup>12</sup> 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/>.