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DEPARTMENT OF THE TREASURY

Office of the Comptroller of the Currency

Agency Information Collection Activities:

Information Collection Renewal; Submission for OMB Review;

Lending Limits

AGENCY: Office of the Comptroller of the Currency (OCC), Treasury.

ACTION: Notice and request for comment.

SUMMARY: The OCC, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to comment on the renewal of an information collection, as required by the Paperwork Reduction Act of 1995 (PRA).

An agency may not conduct or sponsor, and a respondent is not required to respond to, an information collection unless it displays a currently valid Office of Management and Budget (OMB) control number.

The OCC is soliciting comment concerning renewal of its information collection titled, "Lending Limits." The OCC also is giving notice that it has sent the collection to OMB for review.

DATES: Comments must be submitted by [INSERT 30 DAYS FROM DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Because paper mail in the Washington, DC area and at the OCC is subject to delay, commenters are encouraged to submit comments by e-mail, if possible. Comments may be sent to: Legislative and Regulatory Activities Division, Office of the Comptroller of the Currency, Attention: 1557-0221, 400 7th Street, SW., Suite 3E-218, Mail Stop 9W-11,

Washington, DC 20219. In addition, comments may be sent by fax to (571) 465-4326 or by electronic mail to regs.comments@occ.treas.gov. You may personally inspect and photocopy comments at the OCC, 400 7th Street, SW., Washington, DC 20219. For security reasons, the OCC requires that visitors make an appointment to inspect comments. You may do so by calling (202) 649-6700 or, for persons who are deaf or hard of hearing, TTY, (202) 649-5597. Upon arrival, visitors will be required to present valid government-issued photo identification and submit to security screening in order to inspect and photocopy comments.

All comments received, including attachments and other supporting materials, are part of the public record and subject to public disclosure. Do not include any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

Additionally, please send a copy of your comments by mail to: OCC Desk Officer, 1557-0221, U.S. Office of Management and Budget, 725 17th Street, NW., #10235, Washington, DC 20503, or by email to: oira_submission@omb.eop.gov.

FOR FURTHER INFORMATION CONTACT: Shaquita Merritt, Clearance Officer, (202) 649-5490 or, for persons who are deaf or hard of hearing, TTY, (202) 649-5597, Legislative and Regulatory Activities Division, Office of the Comptroller of the Currency, 400 7th Street, SW., Washington, DC 20219.

SUPPLEMENTARY INFORMATION: The OCC is publishing notice of the renewal of the collection of information set forth in this document.

Title: Lending Limits.

OMB Control No.: 1557-0221 (12 CFR 32.7) (Merging in 1557-0317 (12 CFR 32.7)).

Affected Public: Businesses or other for-profit.

Type of Review: Extension of a currently approved collection.

Abstract: 12 CFR 32.7(a) provides that, in addition to the amount that a national bank or savings association may lend to one borrower under 12 CFR 32.3, an eligible national bank or savings association may make residential real estate loans, small business loans, small farm loans or extensions of credit thereof to one borrower in the lesser of the following two amounts: 10 percent of its capital and surplus; or the percent of its capital and surplus, in excess of 15 percent, that a State bank or savings association is permitted to lend under the State lending limit that is available for residential real estate loans or unsecured loans in the state where the main office of the national bank or savings association is located.¹

An eligible national bank or savings association must submit an application to, and receive approval from, its supervisory office before using the supplemental lending limits in § 32.7(a). The supervisory office may approve a completed application if it finds that approval is consistent with safety and soundness. Section 32.7(b) provides that the application must include:

- (1) Certification that the national bank or savings association is an eligible national bank or eligible savings association;
- (2) Citations to relevant State laws or regulations;
- (3) A copy of a written resolution by a majority of the national bank's or savings association's board of directors approving the use of the limits, and confirming the terms and conditions for use of this lending authority; and

¹ An *eligible national bank or eligible savings association* is well capitalized as defined in the prompt corrective action rules applicable to the institution and has a composite rating of 1 or 2 under the Uniform Financial Institutions Rating System in connection with its most recent examination or subsequent review, with at least a rating of 2 for asset quality and for management.

(4) A description of how the board will exercise its continuing responsibility to oversee the use of this lending authority.

12 CFR 32.9(b) provides national banks and savings associations with three alternative methods for calculating the credit exposure of derivative transactions other than credit derivatives (the Internal Model Method, the Conversion Factor Matrix Method, and the Remaining Maturity Method) and two alternative methods for calculating such exposure for securities financing transactions. The OCC provided these models to reduce the practical burden of such calculations, particularly for small and mid-size banks and savings associations.

Under 12 CFR 32.9(b)(1)(i)(C)(1), the use of a model (other than the model approved for purposes of the Advanced Measurement Approach in the capital rules) must be approved by the OCC specifically for part 32 purposes and must be approved in writing. If a national bank or Federal savings association proposes to use an internal model that has been approved by the OCC for purposes of the Advanced Measurement Approach, the institution must provide prior written notification to the OCC prior to use of the model for lending limits purposes. OCC approval also is required before substantive revisions are made to a model that is used for lending limits purposes.

Estimated Number of Respondents: 295.

Estimated Annual Burden: 1,958 hours.

On April 4, 2016, the OCC published a notice for 60 days of comment concerning the collection, 81 FR 19288. No comments were received. Comments continue to be invited on:

- (a) Whether the collection of information is necessary for the proper performance of the functions of the OCC, including whether the information has practical utility;
- (b) The accuracy of the OCC's estimate of the information collection burden;

(c) Ways to enhance the quality, utility, and clarity of the information to be collected;

(d) Ways to minimize the burden of the collection on respondents, including through the use of automated collection techniques or other forms of information technology; and

(e) Estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

Dated: June 10, 2016.

Mary Hoyle Gottlieb
Regulatory Specialist
Legislative and Regulatory Activities Division

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