



441 G St. N.W.
Washington, DC 20548

B-325147

September 23, 2013

The Honorable Tim Johnson
Chairman
The Honorable Michael D. Crapo
Ranking Member
Committee on Banking, Housing, and Urban Affairs
United States Senate

The Honorable Jeb Hensarling
Chairman
The Honorable Maxine Waters
Ranking Member
Committee on Financial Services
House of Representatives

Subject: *Federal Reserve System: Supervision and Regulation Assessments for Bank Holding Companies and Savings and Loan Holding Companies With Total Consolidated Assets of \$50 Billion or More and Nonbank Financial Companies Supervised by the Federal Reserve*

Pursuant to section 801(a)(2)(A) of title 5, United States Code, this is our report on a major rule promulgated by the Board of Governors of the Federal Reserve System (Board) entitled “Supervision and Regulation Assessments for Bank Holding Companies and Savings and Loan Holding Companies With Total Consolidated Assets of \$50 Billion or More and Nonbank Financial Companies Supervised by the Federal Reserve” (RIN: 7100-AD-95). We received the rule on September 9, 2013. It was published in the *Federal Register* as a final rule on August 23, 2013. 78 Fed. Reg. 52,391.

The final rule implements section 318 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.¹ Section 318 directs the Board to collect assessments, fees, or other charges equal to the total expenses the Board estimates are necessary to carry out the supervisory and regulatory responsibilities of the Board for bank holding companies and savings and loan companies with total consolidated assets of \$50 billion or more and nonbank financial companies designated for Board supervision by the Financial Stability Oversight Council.

The Congressional Review Act requires a 60-day delay in the effective date of a major rule from the date of publication in the *Federal Register* or receipt of the rule by Congress, whichever is later. 5 U.S.C. § 801(a)(3)(A). This final rule was published on August 23, 2013, and received on September 9, 2013. It has a stated effective date of October 25, 2013. Therefore, this final rule does not have the required 60-day delay.

¹ Pub. L. No. 111-203, § 318(c), 124 Stat. 1376, 1527 (2010).

Enclosed is our assessment of the Board's compliance with the procedural steps required by section 801(a)(1)(B)(i) through (iv) of title 5 with respect to the rule. Our review of the procedural steps taken indicates that the Board complied with the applicable requirements.

If you have any questions about this report or wish to contact GAO officials responsible for the evaluation work relating to the subject matter of the rule, please contact Shirley A. Jones, Assistant General Counsel, at (202) 512-8156.

signed

Robert J. Cramer
Managing Associate General Counsel

Enclosure

cc: Linda Robertson
Assistant to the Board of Governors
of the Federal Reserve System

REPORT UNDER 5 U.S.C. § 801(a)(2)(A) ON A MAJOR RULE
ISSUED BY THE
FEDERAL RESERVE SYSTEM
ENTITLED
"SUPERVISION AND REGULATION ASSESSMENTS FOR
BANK HOLDING COMPANIES AND SAVINGS AND LOAN HOLDING
COMPANIES WITH TOTAL CONSOLIDATED ASSETS OF \$50 BILLION
OR MORE AND NONBANK FINANCIAL COMPANIES
SUPERVISED BY THE FEDERAL RESERVE"
(RIN: 7100-AD-95)

(i) Cost-benefit analysis

According to the Board's submission to us, the Board did not perform a cost-benefit analysis for this final rule.

(ii) Agency actions relevant to the Regulatory Flexibility Act (RFA), 5 U.S.C. §§ 603-605, 607, and 609

The Board determined that this final rule will not have a significant economic impact on a substantial number of small entities. Nevertheless, the Board conducted a final regulatory flexibility analysis, which found that bank holding companies and savings and loan companies with assets equal to \$50 billion or more are not small entities and nonbank financial companies designated for Board supervision by the Financial Stability Oversight Council are unlikely to be considered a small entity. Therefore, the Board determined that this final rule is unlikely to impose any new recordkeeping, reporting, or compliance requirements or otherwise affect a small banking entity.

(iii) Agency actions relevant to sections 202-205 of the Unfunded Mandates Reform Act of 1995, 2 U.S.C. §§ 1532-1535

The Unfunded Mandates Reform Act does not apply to independent regulatory agencies, such as the Board.

(iv) Other relevant information or requirements under acts and executive orders

Administrative Procedure Act, 5 U.S.C. §§ 551 et seq.

On April 18, 2013, the Board published a notice of proposed rulemaking. 78 Fed. Reg. 23,162. The Board received 16 comments from industry associations, companies, individuals, and Members of Congress. The Board discussed the comments in the final rule.

Paperwork Reduction Act (PRA), 44 U.S.C. §§ 3501-3520

The Board determined that this final rule contains information collection requirements under the Act. The Board estimates that the annual reporting burden associated with the Capital and Asset Report for Foreign Banking Organizations (FR Y-7Q) will be 404 hours under the Office of Management and Budget's (OMB) number 7100-0125. The Board further estimates that the

annual reporting burden associated with the Dodd-Frank Act Assessment Fees Request for Redetermination (FR 4030) will be 280 hours under an OMB number to be assigned.

Statutory authorization for the rule

The Board promulgated this final rule under the authority of section 11(s) of the Federal Reserve Act, as amended. 12 U.S.C. § 248(s).

Executive Order No. 12,866 (Regulatory Planning and Review)

The Executive Order does not apply to independent regulatory agencies, such as the Board.