

**Supporting Statement for the  
Holding Company Report of Insured Depository Institutions’  
Section 23A Transactions with Affiliates  
(FR Y-8; OMB No. 7100-0126)**

**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 Holding Company Report of Insured Depository Institutions’ Section 23A Transactions with Affiliates (FR Y-8; OMB No. 7100-0126). This reporting form collects information on covered transactions between an insured depository institution and its affiliates that are subject to the quantitative limits and other requirements of section 23A of the Federal Reserve Act (12 U.S.C. § 371c) and the Board’s Regulation W - Transactions Between Member Banks and Their Affiliates (12 CFR Part 223). The FR Y-8 is filed quarterly by all U.S. top-tier bank holding companies (BHCs), intermediate holding companies (IHCs), and savings and loan holding companies (SLHCs) that control an insured depository institution that has had any section 23A transactions with affiliates in a given quarter. It is also filed quarterly by foreign banking organizations (FBOs, and together with top-tier U.S. BHCs, SLHCs, and IHCs, “holding companies”) that directly own or control such a U.S. subsidiary insured depository institution. If an FBO indirectly controls such a U.S. insured depository institution through a domestic U.S. holding company, the domestic U.S. holding company must file the FR Y-8. A respondent must file a separate FR Y-8 report for each U.S. insured depository institution it controls that has had section 23A transactions with affiliates. If an insured depository institution does not conduct any section 23A covered transactions with an affiliate in a particular quarter, its parent holding company is not required to submit an FR Y-8 report for that quarter with respect to that subsidiary.

The estimated total annual burden for the FR Y-8 is 12,178 hours. The form and instructions are available on the Board’s public website at <https://www.federalreserve.gov/apps/ReportingForms/>.

**Background and Justification**

Section 23A of the Federal Reserve Act is a statutory provision designed to protect a depository institution from suffering losses in transactions with affiliates. Section 23A, which is implemented by Regulation W, also limits the ability of a depository institution to transfer to its affiliates the subsidy arising from the institution’s access to the federal safety net.

The FR Y-8 report collects information from holding companies in order to monitor covered transactions between a subsidiary depository institution and its parent holding company or other affiliates. The data collected by the FR Y-8 is used to monitor bank exposures to affiliates and to assess insured depository institutions’ compliance with section 23A of the Federal Reserve Act and the Board’s Regulation W. This information collected by the FR Y-8 is not available from other sources. If the collection were not conducted, the Board would be less

able to monitor the effect of transactions between insured depository institutions and their affiliates.

### **Description of Information Collection**

The FR Y-8 is filed by holding companies for each insured depository institution they control that has any section 23A transactions with affiliates in a given quarter. This report collects data on covered transactions for each of their insured depository institutions. The data to be reported vary based on the activities and subsidiaries of the insured depository institution. There are four data items for insured depository institutions that have covered transactions with affiliates other than financial subsidiaries. There are ten data items on covered transactions between insured depository institutions and their financial subsidiaries. There is also a data item on the maximum aggregate amount of all covered transactions for any single day during the calendar quarter. Lastly, there are three data items concerning derivative transactions with affiliates.

The FR Y-8 is submitted to the appropriate Federal Reserve Bank to which a holding company submits its Consolidated Financial Statements for Holding Companies (FR Y-9C; OMB No. 7100-0128), Parent Company Only Financial Statements for Small Holding Companies (FR Y-9SP; OMB No. 7100-0128), or Annual Report of Foreign Banking Organizations (FR Y-7; OMB No. 7100-0297).

The Board understands that respondents use information technology to comply with these provisions, including submitting the FR Y-8 electronically. Holding companies must maintain in their files a physical copy of the manually signed FR Y-8 submission for a period of three years following submission. A signature is not submitted as part of the electronic submission.

### **Respondent Panel**

The FR Y-8 panel comprises all top-tier U.S. BHCs, IHCs, and SLHCs that control a depository institution that has any section 23A transactions with affiliates in a given quarter. In addition, all FBOs or their U.S. holding company that directly own a U.S. subsidiary bank also must file this report, if that U.S. subsidiary bank has any section 23A transactions with affiliates in a given quarter.

### **Frequency and Time Schedule**

The FR Y-8 is submitted quarterly as of the last day of March, June, September, and December. It is submitted within 30 calendar days after the as-of date. A 15-day extension of time to submit the FR Y-8 may be granted to respondents that own banks with more than one foreign office. A holding company is not required to submit an FR Y-8 report in a given quarter with respect to a depository institution subsidiary that did not conduct any section 23A covered transactions with an affiliate in that quarter. The time schedule for FR Y-8 recordkeeping is three years after submission.

## **Public Availability of Data**

No data collected by this information collection are published.

## **Legal Status**

Section 5(c) of the Bank Holding Company Act authorizes the Board to require BHCs, including IHCs that control a U.S. bank, to file the FR Y-8.<sup>1</sup> Section 10(b)(2) of the Home Owners' Loan Act authorizes the Board to require SLHCs to file the FR Y-8.<sup>2</sup> Section 8(a) of the International Banking Act and section 5(c) of the Bank Holding Company Act authorize the Board to require FBOs that directly own or control a U.S. subsidiary insured depository institution to file the FR Y-8.<sup>3</sup> The FR Y-8 report is mandatory for respondents that control an IDI that has engaged in covered transactions with an affiliate during the reporting period.

Information provided on the Form Y-8 is kept confidential under exemption 4 of the Freedom of Information Act as confidential commercial or financial information that is both customarily and actually treated as private.<sup>4</sup> Information collected on the FR Y-8 may also be considered confidential under FOIA exemption 8 if it is obtained as part of an examination or supervision of a financial institution.<sup>5</sup>

## **Consultation Outside the Agency**

There has been no consultation outside the Federal Reserve System.

## **Public Comments**

On October 2, 2024, the Board published an initial notice in the *Federal Register* (89 FR 80241) requesting public comment for 60 days on the extension, without revision, of the FR Y-8. The comment period for this notice will expire on December 2, 2024.

## **Estimate of Respondent Burden**

As shown in the table below, the estimated total annual burden for the FR Y-8 is 12,178 hours. The estimated number of respondents is based on the number of FR Y-8 reporting forms filed as of December 31, 2023. The burden estimate was calculated using the standard Board burden calculation methodology. These reporting and recordkeeping requirements represent less than 1 percent of the Board's total paperwork burden.

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<sup>1</sup> 12 U.S.C. § 1844(c).

<sup>2</sup> 12 U.S.C. § 1467a(b)(2).

<sup>3</sup> 12 U.S.C. § 3106(a); 12 U.S.C. § 371c.

<sup>4</sup> 5 U.S.C. § 552(b)(4).

<sup>5</sup> 5 U.S.C. § 552(b)(8).

<b>FR Y-8</b>	<i>Estimated number of respondents<sup>6</sup></i>	<i>Estimated annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
Reporting	590	4	4.66	10,998
Recordkeeping	590	4	.50	<u>1,180</u>
	<i>Total</i>			12,178

The estimated total annual cost to the public for the FR Y-8 is \$850,633.<sup>7</sup>

### **Sensitive Questions**

These collections of information contain 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 report is \$182,855.

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<sup>6</sup> Of these respondents to this information collection, 269 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.

<sup>7</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/>.