

**Supporting Statement for the  
Application to Become a Savings and Loan Holding Company or to  
Acquire a Savings Association or Savings and Loan Holding Company  
(FR LL-10(e); OMB No. 7100-0336)**

## **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 Application to Become a Savings and Loan Holding Company or to Acquire a Savings Association or Savings and Loan Holding Company (FR LL-10(e); OMB No. 7100-0336). This information collection must be filed in connection with certain proposals involving the formation, acquisition, or merger of a savings and loan holding company (SLHC); the acquisition by an SLHC of a savings association or its assets; and the acquisition of control of a savings association by certain individuals associated with an SLHC. The Board requires the submission of this filing from an applicant for regulatory and supervisory purposes and to allow the Board to fulfill its statutory obligations to review these transactions under section 10(e) of the Home Owners' Loan Act (HOLA) (12 U.S.C. § 1461 et seq.) and the Board's Regulation LL - Savings and Loan Holding Companies (12 CFR 238.11).

The current estimated total annual burden for the FR LL-10(e) is 428 hours. The form and instructions are available on the Board's public website at <https://www.federalreserve.gov/apps/ReportingForms/>.

## **Background and Justification**

Section 10(e) of HOLA, as implemented in Regulation LL, provides that certain transactions involving the formation, acquisition, or merger of an SLHC or the acquisition of a savings association require prior written approval from the Board.<sup>1</sup> These transactions consist of the formation of an SLHC, an acquisition that causes a savings association to become a subsidiary of an SLHC, the acquisition of control of all or substantially all of the assets of a savings association or an SLHC, the merger of SLHCs, and the acquisition of control of a savings association or SLHC by certain individuals.<sup>2</sup>

The information required for the FR LL-10(e) allows the Board to fulfill its responsibilities under HOLA and Regulation LL to evaluate the subject transactions. The completed FR LL-10(e) is the primary source of comprehensive data on, among other things, the structure of the proposal, the pro forma financial condition of the applicant and of its subsidiary(ies), the competitive position of the applicant and entities being acquired, and the convenience and needs of communities to be served.<sup>3</sup> The information helps the Federal Reserve to determine whether a proposed transaction is financially sound, competitively acceptable, and

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<sup>1</sup> Certain transactions are exempt from this requirement pursuant to HOLA or 12 CFR 238.12. A reorganization of a holding company pursuant to 12 CFR 238.12(a)(2) does not require prior approval from the Board but does require an informational filing.

<sup>2</sup> 12 CFR 238.11.

<sup>3</sup> See 12 U.S.C. § 1467a(e)(2).

consistent with convenience and needs considerations. This information is not available from other sources.

## **Description of Information Collection**

### *Reporting Requirements*

The FR LL-10(e) is event generated. As noted, the form collects information concerning certain proposed SLHC formations, acquisitions, and mergers. Specifically, the form collects financial and managerial information and information about the proposed transaction, the competitive effects of the proposal, and the impact of the transaction on the convenience and needs of the communities to be served. The application must be submitted to the appropriate Federal Reserve Bank by an existing or proposed SLHC or by certain individuals. Applicants are urged to submit the FR LL-10(e) electronically through the Federal Reserve System's web-based platform, FedEZFile (<https://www.federalreserve.gov/supervisionreg/afi/afi.htm>).

### *Disclosure Requirements*

Applicants that file the FR LL-10(e) are required to publish a notice in a newspaper of general circulation in the community(ies) in which the head office(s) of the applicant; its largest subsidiary savings association, if any; and each savings association to be directly or indirectly acquired are located.<sup>4</sup> Notices generally state the name and address of the applicant and all SLHCs and savings associations that it proposes to acquire, and must invite the public to submit written comments to the appropriate Federal Reserve Bank. The newspaper notice must be published no more than fifteen calendar days before and no later than seven calendar days after the date that the application is filed with the appropriate Federal Reserve Bank.

### **Respondent Panel**

The FR LL-10(e) panel comprises entities seeking prior approval to become or acquire an SLHC or merge SLHCs; SLHCs seeking to acquire a savings association or all or substantially all of the assets of a savings association or SLHC; and directors or officers of an SLHC, or any individual who owns, controls, or holds the power to vote (or holds proxies representing) more than 25 percent of the voting shares of an SLHC seeking control of any savings association that is not a subsidiary of such SLHC.

### **Frequency and Time Schedule**

The application is event generated.

### **Public Availability of Data**

No data collected by this information collection is published.

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<sup>4</sup> Publication is not required for a reorganization pursuant to 12 CFR 238.12(a)(2).

## Legal Status

The FR LL-10(e) is authorized by sections 10(b)(2) and 10(e) of the HOLA. Section 10(e) of the HOLA requires firms to seek the Board's prior written approval before engaging in a transaction involving the formation, acquisition, or merger of an SLHC; the acquisition by an SLHC of a savings association or its assets; or the acquisition of control of a savings association by certain individuals associated with an SLHC.<sup>5</sup> Section 10(e) also provides that the Board must evaluate certain statutory factors and render a decision within 90 days of the submission of a "complete record on the application."<sup>6</sup> The FR LL-10(e) collects information from firms proposing to engage in transactions requiring its approval under the HOLA, thus providing the Board with information it requires to evaluate the statutory factors. This form constitutes a necessary part of the record on each firm's application that the Board uses to fulfill its statutory responsibilities under the HOLA. In addition, section 10(b)(2) of the HOLA authorizes the Board to require reports from SLHCs containing such information concerning the operations of SLHCs and their subsidiaries as the Board may require. The FR LL-10(e) is one such report that the Board requires from SLHCs regarding their operations and/or the operations of their subsidiaries.

The FR LL-10(e) is required to obtain a benefit.

The information contained on the FR LL-10(e) is not considered confidential unless an applicant requests confidential treatment in accordance with the Board's Rules Regarding Availability of Information.<sup>7</sup> Requests for confidential treatment of information are reviewed on a case-by-case basis. If not confidential, then the information submitted on the FR LL-10(e) may be disclosed pursuant to the Freedom of Information Act (FOIA). However, information for which an applicant requests confidential treatment may fall within one of FOIA's exemptions and therefore not be subject to disclosure.

Information submitted on the FR LL-10(e) may be exempt from disclosure under exemption 4, 6, or 8 of the FOIA. Exemption 4 applies to confidential commercial or financial information that is both customarily and actually treated as private by its owner.<sup>8</sup> To the extent that information submitted on the FR LL-10(e) is confidential commercial or financial information that is both customarily and actually treated as confidential by the applicant, it would be exempt from disclosure under exemption 4. Exemption 6 exempts from disclosure personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.<sup>9</sup> To the extent information submitted on the FR LL-10(e) includes such files, then it would be exempt from disclosure. Finally, exemption 8 exempts from disclosure information contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or

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<sup>5</sup> 12 U.S.C. § 1467a(e)(1). *See also* 12 CFR 238.11 (listing transactions requiring Board approval under section 10 of the HOLA). Section 10(e) also requires an application to the Board where an SLHC has improperly acquired control of a savings association or SLHC before obtaining the Board's prior approval. *See* 12 U.S.C. § 1467a(e)(1)(A)(i).

<sup>6</sup> 12 U.S.C. § 1467a(e)(2).

<sup>7</sup> 12 CFR 261.17.

<sup>8</sup> *See* 12 U.S.C. § 552(b)(4); *Food Marketing Institute v. Argus Leader Media*, 588 U.S. 427, 440 (2019).

<sup>9</sup> 12 U.S.C. § 552(b)(6).

supervision of financial institutions.<sup>10</sup> Information submitted on the FR LL-10(e) that is related to an applicant’s (and any potential target’s) condition would be considered to be prepared for the use of the Board, an agency responsible for the regulation and supervision of financial institutions. This information may therefore be exempt from disclosure under exemption 8.

### Consultation Outside the Agency

There has been no consultation outside the Federal Reserve System.

### Public Comments

On December 6, 2024, the Board published an initial notice in the *Federal Register* (89 FR 96974) requesting public comment for 60 days on the extension, without revision, of the FR LL-10(e). The comment period for this notice expires on February 4, 2025.

### Estimate of Respondent Burden

As shown in the table below, the estimated total annual burden for the FR LL-10(e) is 428 hours. The annual reporting burden estimate is based on the total number and type of applications processed in the past three years. The burden estimate was produced using the standard Board burden calculation methodology. These reporting and disclosure requirements represent less than 1 percent of the Board’s total paperwork burden.

<b>FR LL-10(e)</b>	<i>Estimated number of respondents</i> <small>11</small>	<i>Estimated annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
Reporting	7	1	60.08	421
Disclosure	7	1	1	<u>7</u>
<i>Total</i>				428

The estimated total annual cost to the public for the FR LL-10(e) is \$29,896.<sup>12</sup>

<sup>10</sup> 12 U.S.C. § 552(b)(8).

<sup>11</sup> Of these respondents, 4 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>.

<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/>.

### **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 the FR LL-10(e) is negligible.