

SUPPORTING STATEMENT
Loan Application Register (HMDA)
OMB Control No. 1550-0021

The Home Mortgage Disclosure Act (HMDA), 12 U.S.C. 2801, requires this collection of information. In accordance with the HMDA, the Board of Governors of the Federal Reserve System (FRB) promulgates and administers HMDA regulations, which are prescribed as part of the FRB's Regulation C (12 CFR 203), implementing the HMDA (12 U.S.C. 2801-2810). HMDA forms as well as collection and recordkeeping requirements are approved under OMB Control No. 7100-0247. The FRB supporting statement forms the decisional basis for the OMB action. This submission discusses the burden imposed by Regulation C on the institutions OTS regulates.

A. JUSTIFICATION

1. Circumstances and Need

OTS is statutorily obligated to monitor compliance with fair lending laws. It is one of six agencies that enforce Regulation C.¹ As of 2002, the FRB staff collects and processes the information obtained through the data collection for all of the agencies except HUD.

2. Use of Information Collected

The data on loan applications collected under HMDA assist OTS in analyzing lending patterns for possible discrimination. OTS examiners use the data to scope for compliance with the fair lending laws (Equal Credit Opportunity Act, Fair Housing Act, and OTS's Non-discrimination regulation), as well as for compliance with HMDA itself. Examiners also use HMDA data to determine whether associations are helping to meet the credit needs of their communities as required by the Community Reinvestment Act.

3. Use of Technology to Reduce Burden

Due to regulatory changes, the majority of loan application data are transmitted electronically. To reduce burden, multiple types of electronic transmissions are acceptable, including submission by e-mail.

4. Efforts to Identify Duplication

The collection of information is unique and covers each institution's particular circumstances.

¹ The other five agencies are the Board of Governors of the Federal Reserve System (FRB), the Federal Deposit Insurance Corporation (FDIC), the Office of the Comptroller of the Currency (OCC), the National Credit Union Administration (NCUA), and the Department of Housing and Urban Development (HUD). Excluding HUD, these agencies are members of the Federal Financial Institutions Examination Council.

5. Minimizing the Burden on Small Firms

The data collection does not have a significant impact on small businesses. Associations with less than \$35 million in assets as of December 31, 2005, were exempt from HMDA. This exemption threshold is adjusted annually, in accordance with the Economic Growth and Regulatory Paperwork Reduction Act of 1996.

6. Consequences of Less Frequent Collection

Federal law requires annual collection of HMDA data. OTS would be in violation of this law if the information was collected less frequently.

7. Special Circumstances

The special circumstance applicable to this information collection is as follows:

- The Home Mortgage Disclosure Act requires that HMDA reporters maintain their mortgage Disclosure Statements for five years.

8. Consultation with Persons Outside the OTS

Notice of the intent to renew this information collection was published in the Federal Register on August 7, 2006 (71 FR 44779). One comment was received from the National Community Reinvestment Coalition (NCRC), which is an economic justice trade association of 600 community organizations. The NCRC expresses support for the collection of HMDA data, and urges the regulatory agencies to preserve and expand HMDA data collection. OTS has considered this comment and is proceeding with the proposed burden estimates published in the August 7 notice.

9. Payment of Respondents

OTS does not provide any payment or gift to respondents.

10. Confidentiality

HMDA and Regulation C require public release of loan application register (LAR) data. The LAR does contain confidential information but it does not contain the names of loan applicants or their addresses.

11. Information of a Sensitive Nature

In order to determine whether discrimination has occurred, questions regarding race and sex are asked. Responding to these questions is voluntary for the applicants. Because the individual names are not recorded in the register, the applicants' privacy is protected.

12. Estimate of Annual Burden

TOTAL NUMBER OF RESPONDENTS	639
TOTAL ANNUAL RESPONSES (LARs)	639
AVERAGE NUMBER OF APPLICATIONS PER RESPONSE ²	9,657
AVERAGE BURDEN HOURS PER APPLICATION	0.03
TOTAL BURDEN HOURS	185,125

The total cost to respondents is estimated to be \$3.7 million (185,125 hours at \$20 per hour).

13. Estimate of Annual Cost

This is a continuing program. There are no applicable start-up costs.

14. Estimates of Annualized Cost to Government

We have estimated annual basic OTS costs for HMDA data collection to be \$350,794, which includes the machine costs and OTS's share of the annual costs associated with the FFIEC compilation and distribution of HMDA data. The basic tasks related to compiling and disseminating HMDA data are performed by FRB.

15. Reason for Change in Burden

The change in burden is due to the increased volume of refinanced mortgage loans as a result of historically low interest rates. The burden per entry (application) remains at .03 hours.

16. Publication

OTS will not publish this data. The information is shared with the FRB, who produces consolidated reports.

17. Expiration Date

Not applicable.

18. Exceptions

There are no exceptions to the certification statement on OMB Form 83-I.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.

² Burden depends on the volume of data submitted. Individual institutions submit from 5 to more than 100,000 lines of data, each line representing an application.