

SUPPORTING STATEMENT  
RECORDKEEPING AND DISCLOSURE REQUIREMENTS  
IN CONNECTION WITH REGULATION Z  
(OMB No. 3064-0082)

INTRODUCTION

The Federal Deposit Insurance Corporation (“FDIC”) is requesting OMB approval to extend the information collection previously approved as 3064-0082. The current clearance for the collection expires on March 31, 2008.

A. Justification

1. Circumstances and Need

The requirements for this collection are contained in Regulation Z – Truth in Lending, 12 C.F.R. Part 226, issued by the Board of Governors of the Federal Reserve System (“FRB”). Regulation Z is issued under authority of 15 U.S.C. § 1604 and implements the Truth in Lending Act (“TILA”), 15 U.S.C. §§ 1601 et seq. The FRB’s information collection is approved under PRA control number 7100-0199. The FDIC’s enforcement responsibilities for state nonmember banks is granted by 15 USC § 1607.

Regulation Z requires creditors to disclose certain costs and terms to consumers, using a specified format and terminology, at or before the time consumers enter into a consumer credit transaction and when the availability for consumer credit on particular terms is advertised. For open-ended credit, such as revolving credit accounts, creditors are required to disclose information about the initial costs and terms and to provide periodic statements of account activity, notices of changes in terms, and statements of rights concerning billing error procedures. The regulation also requires specific types of disclosures for credit and charge accounts, and home equity plans. For closed-end loans, such as mortgage and installment loans, cost disclosures are required to be provided prior to consummation. Special disclosures are required of certain products, such as reverse mortgage and installment loans, certain variable rate loans, and certain mortgages with rates and fees above specified thresholds. TILA and Regulation Z also contain rules concerning credit advertising. Creditors are required to retain evidence of compliance for twenty-four months, but the regulation does not specify the types of records that must be retained.

2. Use of Information Collected

Regulation Z promotes the informed use of consumer credit by ensuring adequate disclosure of the costs and terms of credit to consumers.

3. Use of Technology to Reduce Burden

The Regulation Z information collection consists primarily of third party disclosures. Institutions may provide electronic disclosures consistent with the Electronic Signatures in Global and National Commerce Act, 15 U.S.C. §§ 7001 et seq., and § 226.36 of Regulation Z.

4. Efforts to Identify Duplication

The disclosures are required when specified events occur and their content does not overlap with other requirements.

5. Minimizing the Burden on Small Businesses

Generally, TILA requires that the disclosures be made notwithstanding the size of the institution. The FRB provides model forms to ease the compliance burden for small institutions.

6. Consequence of Less Frequent Collections

The disclosures are event based and may not be made less frequently consistent with the underlying statute.

7. Special Circumstances

None.

8. Consultation with Persons Outside the FDIC

A “first” Federal Register notice (attached) seeking comment was published on October 19, 2007 (72 Fed. Reg. 202,59289). No comments were received.

9. Payment or Gift to Respondents

None.

10. Confidentiality

As no information is collected, no issue of confidentiality arises.

11. Questions of a Sensitive Nature

No questions of a sensitive nature are included in this collection

12. Estimates of Annualized Hour Burden and Associated Cost<sup>1</sup>

---

<sup>1</sup> The FDIC burden estimates are based on FRB estimates adjusted for FDIC circumstances such as the number of FDIC regulated institutions.

<b>Burden Estimate</b>	<b>Number of Respondents</b>	<b>Annual Frequency</b>	<b>Response Time</b>	<b>Annual Burden Hours</b>
<u>Subpart B</u>				
Open-End Credit				
Initial Disclosures	5,200	1,150	1.5 minutes	149,500
Change in Terms	5,200	2,500	1.0 minute	216,667
Periodic Statements	5,200	12	8 hours	499,200
Error Resolution				
Credit Cards	1,243	145	30 minutes	90,118
Other Reg. Z Complaints	5,200	2	30 minutes	5,200
Credit & Charge Card Accounts				
Advance Disclosures	1,243	12	8 hours	119,328
Home Equity Plans				
Advance disclosure	3,404	790	1.5 minutes	67,229
Change in terms	3,404	10	3.0 minutes	1,702
<u>Subpart C</u>				
Closed-end credit disclosures	5,200	2,472	6.5 minutes	1,392,560
<u>Sections 226.16 and 226.24</u>				
Advertising	5,200	5	25 minutes	10,833
<u>Subpart E</u>				
Pre-closing disclosure	115	250	3 minutes	1,438
<b>Total</b>				<b>2,553,775</b>

Estimated annual cost to FDIC supervised institutions (at \$20 hourly cost) is \$51,075,500

13. Capital/Start-up and Operation/Maintenance Cost

None.

14. Cost to Government

Since the FDIC does not collect any information, the cost to the FDIC is negligible.

15. Reason for Change in Burden

The change in burden from 2,373,600 hours to 2,553,775 hours is the result of an adjustment to reflect an increase in the number of respondent banks.

16. Publication

There is no publication of the information reported.

17. Display of Expiration Dates

Not applicable to these disclosures.

18. Exceptions to Certification

None.

B. STATISTICAL METHODS

Not applicable.