

**SUPPORTING STATEMENT  
UNFAIR and DECEPTIVE ACTS or PRACTICES**

**A. JUSTIFICATION**

**1. Circumstances that make the collection necessary**

OTS requests OMB approval for the collections of information contained in the attached joint final rule, which implements section 18(f)(1) of the Federal Trade Commission Act (FTC Act), 12 U.S.C. 57a(f)(1). Under section 18(f)(1) of the FTC Act, OTS is exclusively responsible for prescribing rules applicable to savings associations to prevent unfair or deceptive acts or practices (UDAPs) in or affecting commerce, including acts or practices that are unfair or deceptive to consumers. Under this final rulemaking, OTS incorporates its existing Prohibited Consumer Credit Practices (12 CFR part 535), which governs UDAPs involving consumer credit, into a new, more comprehensive UDAP Rule, which also addresses UDAPs involving credit cards. Some of the regulatory provisions to prevent UDAPs involve savings associations providing disclosures to consumers so that consumers will know their rights and responsibilities as cosigners on consumer loans. The co-signer disclosures are forms that require no additional development of information. New disclosures are needed for interest rate limitations on new accounts.

**2. Use of the Information Collected**

The FTC Act does not require that OTS impose information collection requirements. Section 535.13 is not a new requirement, but is renumbered in this final rule. Section 535.24 adds account opening disclosures of annual percentage rates and later rate increases. Because institutions must also comply with existing disclosure requirements under 12 CFR 226.9 in Regulation Z, OTS anticipates that this disclosure requirement will create little additional burden.

**3. Consideration of the use of improved information technology**

An institution may use any effective information technology it chooses to reduce any burden associated with the rule implementing section 18(f)(1) of the FTC Act.

**4. Efforts to identify duplication**

There is no duplication.

**5. Methods used to minimize burden if the collection has a significant impact on a substantial number of small entities**

This information collection does not have a significant impact on a substantial number of small entities.

**6. Consequences to the Federal program if the collection were conducted less frequently.**

The burden associated with this collection is largely attributable to practices that an institution should already be carrying out under the current Credit Practices Rule and OTS guidance.

**7. Special circumstances necessitating collection inconsistent with 5 CFR part 1320**

No special circumstances exist.

**8. Consultation with persons outside the agency**

OTS issued a notice of proposed rulemaking seeking comment. 73 FR 28938 (May 19, 2008). OTS received more than 5,600 comments, but no comments specifically addressed PRA burden.

**9. Payment to respondents**

OTS provides no payments or gifts to respondents.

**10. Confidentiality**

The final rule does not contain any requirements for thrifts to report information to OTS. To the extent OTS obtains information about thrifts' compliance, the Freedom of Information Act, the Trade Secrets Act, Executive Order 12,600, Treasury Department regulations at 31 CFR pt. 1, and OTS regulations at 12 CFR pts. 505 and 510 will apply.

**11. Information of a Sensitive Nature**

None.

**12. Burden estimate**

OTS believes that most covered entities already comply with its Credit Practices Rule and Regulation Z advance disclosure requirements at 12 CFR 226.9.

OTS' estimates attribute all burdens to covered entities, which are entities directly subject to the requirements of the final rulemaking. A covered entity that outsources activities to a third-party service provider is, in effect, reallocating to that service provider the burden that it would otherwise have carried itself. Under these circumstances, burden is, by contract, shifted from the covered entity to the service provider, but the total amount of burden is not increased. Thus, third-party service provider burden is already included in the burden estimates provided for covered entities.

Number of respondents: 116

Estimated for developing disclosures: 4

Estimated for training and reporting: 4

Total estimated annual burden: 928 hours

**13. Estimate of annualized costs to respondents**

The costs to savings associations for developing disclosures, training and reporting, based on an hourly rate of \$50 would be \$400 per respondent.

**14. Estimate of annualized costs to the government**

Since the FTC Act does not require that OTS impose information collection requirements and because Federal employees must currently review current disclosures under the existing Regulation Z, 12 CFR 226.9, OTS anticipates that the new disclosure requirements in Section 535.24 will create no additional review time for Federal employees. Currently, review is conducted by 71 OTS compliance examiners, with an average hourly salary of \$125, in the course of compliance examinations of OTS-regulated institutions. Therefore the annualized cost to the government of reviewing the disclosures in this rule is estimated to be zero.

**15. Analysis of change in burden**

OTS is citing an increase in the burden inventory of 928 hours as a program change.

**16. Information regarding collections whose results are planned to be published for Statistical use**

The results of these collections will not be published for statistical use.

**17. Display of expiration date**

N/A

There are no forms that require the display of an expiration date.

**18. Exceptions to certification statement**

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None.

**B. STATISTICAL METHODS**

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Not applicable.