

**Supporting Statement for
OMB Control Number 3133-NEW
Registration of Mortgage Loan Originators**

A. Justification

1. Circumstances that make the collection necessary:

The NCUA, OCC, Federal Reserve, FDIC, OTS, and the Farm Credit Administration (FCA) have issued a joint notice of proposed rulemaking to implement the Secure and Fair Enforcement for Mortgage Licensing Act (the S.A.F.E. Act).¹ The S.A.F.E. Act requires an employee of a bank, savings association, or credit union and their subsidiaries regulated by a Federal banking agency or an employee of an institution regulated by the FCA (Agency-regulated institutions) who engages in the business of a residential mortgage loan originator to register with the Nationwide Mortgage Licensing System and Registry (Registry) and obtain a unique identifier. The notice of proposed rulemaking implements these requirements and specifies that these Agency-regulated institutions must require their employees who act as residential mortgage loan originators to comply with the Act's requirements to register and obtain a unique identifier and must adopt and follow written policies and procedures to assure compliance with these requirements.

2. Use of the information:

The objectives of the Registry, among other things, are to aggregate and improve the flow of information to and between regulators; provide increased accountability and tracking of mortgage loan originators; enhance consumer protections; reduce fraud in the residential mortgage loan origination process; and provide consumers with easily accessible information at no charge regarding the employment history of, and the publicly adjudicated disciplinary and enforcement actions against, mortgage loan originators.

Under the Act, Agencies must jointly develop and maintain a system for registering mortgage loan originators employed by Agency-regulated institutions with the Registry. In connection with this registration, the Agencies at a minimum must furnish or cause to be furnished to the Registry information concerning the loan originator's identity, including: (1) fingerprints for submission to the Federal Bureau of Investigations (FBI) and any other relevant governmental agency for a State and national criminal background check; and (2) personal history and experience, including authorization for the Registry to obtain information related to any administrative, civil, or criminal findings by any governmental jurisdiction.

The definitions of "Nationwide Mortgage Licensing System and Registry" or "Registry" are based on the definition included in the S.A.F.E. Act. These terms refer to the system developed and maintained by the Conference of State Bank Supervisors (CSBS) and the American Association of Residential Mortgage Regulators, as operated by the State Regulatory

¹ Title V of the Housing and Economic Recovery Act of 2008, Pub. L. 110-289.

Registry (SRR), a subsidiary of CSBS, for the State licensing and registration of State-licensed mortgage loan originators and the registration of mortgage loan originators pursuant to section 1507 of the S.A.F.E. Act. The NMLSR currently supports the State licensing and registration of State mortgage loan originators. The Agencies are working with the CSBS to modify the NMLSR to support for the registration of Federally-registered mortgage loan originators.

When fully operational, mortgage loan originators and their Agency-regulated employing institutions will be able to access the Registry, seven days a week, to complete initial registrations and to update, amend and renew registrations. CSBS will phase-in system enhancements to provide consumers with access to the Registry in order to obtain information on State-licensed and Federally-registered mortgage loan originators.

3. Consideration of the use of improved information technology:

Credit unions may adopt any existing technology relevant to producing or delivering the information.

4. Efforts to identify duplication:

There is no duplication. The information is not available from any other source.

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

This collection of information imposes on credit unions, regardless of size, only the minimum burden necessary to accomplish the program objectives discussed in Items 1 and 2. The collection does not have a significant impact on a substantial number of small entities. The proposal does, however, provide an exception for originators and credit unions who originate a de minimis number (5/25, respectively) of residential loans.

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

The Agencies would be unable to meet the requirements of the statute.

7. Special circumstances necessitating collection inconsistent with 5 CFR Part 1320:

Not applicable. This collection will be conducted consistent with the guidelines in 5 CFR 1320.6.

8. Efforts to consult with persons outside the agency:

On June 9, 2009, the Agencies published a notice of proposed rulemaking (NPRM) in the Federal Register (74 FR 27386) requesting public comment on the proposed rule and proposed information collection. The Agencies have also been consulting with and obtaining input from CSBS.

9. Payment to respondents:

There is no payment to respondents.

10. Any assurance of confidentiality:

No assurance of confidentiality is made.

11. Justification for questions of a sensitive nature:

Questions of a sensitive nature are required by statute.

12. Burden estimates:

The total estimated annual burden for this information collection is 1,080,063 hours, as shown in the table below. NCUA estimates that there are 23,539 MLOs for credit unions and that it will take each MLO 3.5 hours to register initially and disclose their unique identifier to consumers. NCUA also estimates that about half of those MLOs, 11,770, will need to update their registration each year and it will take 15 minutes to provide these updates. Finally, the NCUA estimates that their 2,834 credit unions would take 351 hours to implement policies and procedures, establish tracking and compliance systems, and establish reporting, filing, and information dissemination systems. Most of the burden will only occur during the first year of implementation.

	<i>Number of respondents/</i>	<i>Est. annual frequency/</i>	<i>Est. hrs per response/</i>	<i>Est. annual burden hrs</i>
<i>MLOs – initial set up and disclosure:</i>	23,539	1	3.5	82,386.5
<i>MLOs – updates for changes</i>	11,770	1	0.25	2,942.5
<i>Credit Unions</i>	2,834	1	351	994,734
<i>Total</i>				1,080,063 hours
<i>Implementing Policies and Procedures, Maintain Criminal Report Records and Tracking Systems for Compliance²</i>				
<i>Support Staff</i>	40% x (1,077,120.5) = @ \$25 = \$10,771,205			
<i>Professional Staff</i>	50% x (1,077,120.5) = @\$55 = \$29,620,813			
<i>Senior Management</i>	5% x (1,077,120.5) = @\$100 = \$5,385,602.50			
<i>Legal Counsel</i>	5% x (1,077,120.5) = @\$144 = \$7,755,267.60			
				\$53,532,887
<i>Mortgage Loan Originator- Registration/Update</i>				
				2942.5@\$20 ³ = \$58,850
				Total (est.): \$53,591,737

Therefore, the current annual cost to the public of this information collection is estimated to be \$53,591,737.

Estimate of Cost to the NCUA

NCUA staff would review the information as part of their normal work assignments and there would be no additional staffing costs.

13. Estimates of annualized costs to respondents:

² These costs to the public were estimated using the following formula: percent of staff time, multiplied by annual burden hours, multiplied by hourly rate (40% Administrative or Junior Analyst @ \$25, 50% Managerial or Technical @ \$55, 5% Senior Management @ \$100, and 5% Legal Counsel @ \$144). Hourly rate estimates for each occupational group are averages using data from the Bureau of Labor and Statistics (BLS), Occupational Employment and Wages.

³ The average consumer cost of \$20 is estimated from the BLS Economic News Release (Table B-3. Average hourly and weekly earnings of production and non-supervisory workers (1) on private non-farm payrolls by industry sector and selected industry detail.)

Not applicable.

14. Estimate of annualized costs to the NCUA:

NCUA staff would review the information as part of their normal work assignments and there would be no additional staffing costs.

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15. Change in burden:

The increase in burden is due to the fact that this is a new collection.

16. Information regarding collections whose results are planned to be published for statistical use:

The NCUA has no plans to publish the data for statistical purposes.

17. Display of expiration date:

Not applicable.

18. Exceptions to certification statement:

There are no exceptions to the certification statement.

B. Collections of Information Employing Statistical Methods

This collection of information does not employ statistical methods.