

**CONSUMER FINANCIAL PROTECTION BUREAU
REQUEST FOR EMERGENCY PROCESSING AND APPROVAL
HOME MORTGAGE DISCLOSURE ACT (REGULATION C) 12 CFR 1003**

EMERGENCY JUSTIFICATION

The Bureau of Consumer Financial Protection (CFPB) respectfully requests emergency processing and approval of the collection of information discussed below because the use of normal clearance procedures is reasonably likely to prevent and disrupt an existing collection of information.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) transferred rulemaking authority for the Home Mortgage Disclosure Act (HMDA); 12 U.S.C. 2801 *et seq.*, from the Board of Governors of the Federal Reserve System (Board) to the CFPB on July 21, 2011. In addition to the transfer of rulemaking authority under the Dodd-Frank Act, the CFPB received certain supervisory and enforcement authorities with respect to the HMDA. The CFPB is in the process of publishing for public comment an interim final rule establishing a new regulation in 12 CFR Part 1003 (Regulation C). This interim final rule substantially replicates the Board's HMDA rule, and will not impose any new substantive obligations on regulated entities or any new information collection requirements.

As the CFPB now has supervisory and enforcement authority over certain populations that have been under the jurisdiction of other agencies, the CFPB is requesting approval of a new OMB control number for its collection activities under Regulation C. To prevent disruptions of approved information collections, the CFPB is requesting emergency processing and approval of the following information collection request. Upon receipt of emergency approval from the Office of Management and Budget, the CFPB will begin a standard approval process for this collection and will seek public input at that time.

CONSUMER FINANCIAL PROTECTION BUREAU
INFORMATION COLLECTION REQUEST – SUPPORTING STATEMENT
HOME MORTGAGE DISCLOSURE ACT (REGULATION C) 12 CFR 1003
(OMB CONTROL NUMBER: 3170-XXXX)

A. JUSTIFICATION

1. Circumstances Necessitating the Data Collection

The Bureau of Consumer Financial Protection (CFPB) is requesting a new collection number for the interim final rule on the Home Mortgage Disclosure Act (HMDA) 2 U.S.C. 2801 *et seq.* Prior to July 21, 2011, HMDA was implemented by Regulation C of the Board of Governors of the Federal Reserve System (Board), 12 CFR Part 203. The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) amended a number of consumer financial protection laws, including HMDA. In addition to various substantive amendments, the Dodd-Frank Act transferred rulemaking authority and certain supervisory and authorities with respect to HMDA to the CFPB, effective July 21, 2011.

The CFPB has issued an interim final rule recodifying the Board's regulation to reflect the transfer of authority to the CFPB, which will help facilitate compliance with HMDA and its implementing regulations and will help prevent confusion regarding regulatory and supervisory authority. Certain covered financial institutions that were previously required to report data through another federal agency will now be required to report such data to the CFPB.

HMDA requires most mortgage lenders lending in metropolitan areas to collect data about their housing-related lending activity. Annually, lenders must report those data to the appropriate federal agencies and make the data available to the public. The CFPB's regulation requires covered financial institutions that meet certain thresholds to maintain data about home loan applications (e.g., the type of loan requested, the purpose of the loan, whether the loan was approved, and the type of purchaser if the loan was later sold), to update the information quarterly, and to report the information annually.

2. Use of the Information

The purpose of the information collection is: (i) to help determine whether financial institutions are serving the housing needs of their communities; (ii) to assist public officials in distributing public-sector investment so as to attract private investment to areas where it is needed; and (iii) to assist in identifying possible discriminatory lending patterns and enforcing antidiscrimination statutes. The information collection will assist the CFPB's examiners, and examiners of other federal supervisory agencies, in determining that the financial institutions they supervise comply with applicable provisions of HMDA.

3. Use of Information Technology

All covered financial institutions regulated by the CFPB have the option to make the required disclosures electronically and most, if not all, disclose electronically.

4. Efforts to Identify Duplication

Substantially all of the information collected is not otherwise available.

5. Efforts to Minimize Burdens on Small Entities

The collection of information has no impact on small institutions.

6. Consequences of Less Frequent Collection and Obstacles to Burden Reduction

The collection of information occurs annually. There is no flexibility under HMDA to collect the information less frequently.

7. Circumstances Requiring Special Information Collection

None.

8. Consultation Outside the Agency

This Supporting Statement is based on the FDIC's most recent Supporting Statement for OMB Control Number 3064-0046 (Supporting Statement for the disclosure requirements in connection with Regulation C (Home Mortgage Disclosure Act)). As this is a request for emergency processing and approval of the transfer of certain burdens from existing information collections to the CFPB, the CFPB has not sought public comment on this information collection request. Upon receipt of OMB's emergency approval, the CFPB will begin the standard approval process and will seek public input and input from other agencies at that time.

9. Payments or Gifts to Respondents

None.

10. Assurances of Confidentiality

The records kept under this collection are maintained by financial institutions and reported annually. The CFPB's interim final rule requires this information to be made available to the public except for three fields that are redacted to protect the identities of individual applicants.

11. Justification for Sensitive Questions

The information contains material that might be considered sensitive in nature such as the race or national origin, gender and income of loan applicants. When the information is disclosed

to the public, it is redacted to omit dates of application, dates of decisions on applications and application numbers to prevent identification of individual applicants.

12. Estimated Burden of Information Collection

Hours: 154,000

CFPB's estimate of the burden for ongoing recordkeeping and disclosure requirements under Regulation C is based on the assumption that the total ongoing burden for this regulation, across all agencies, remains the same as it was before the regulation was restated by the CFPB. Prior to the passage of the Dodd-Frank Act, the ongoing recordkeeping and disclosure burdens for Regulation C allocated to the prudential regulators and HUD were approximately 1,436,000 hours.¹ In light of the changes made by the Dodd-Frank Act, roughly 154,000 hours of that burden is being reallocated to the CFPB. Specifically, CPPB is being allocated burden for 180 depository institutions (comprising depository institutions with total assets of more than \$10 billion and their depository affiliates)²

Associated Labor Costs: \$ 4,536,000

The CFPB calculated labor costs by applying appropriate hourly cost figures to the burden hours described above. The hourly rates used are those associated with the burden hours assumed from the other regulatory agencies, which differ by agency.

The CFPB estimates that the ongoing recordkeeping and disclosure costs allocated to the CFPB under Regulation C are \$4,536,000. This estimate was calculated by summing the CFPB's share of costs from the supporting statements of the other agencies, following each

¹ For purposes of the current request for emergency review and approval, the CFPB has relied on the estimates previously developed by the Board, OCC, OTS, FDIC, NCUA, and HUD concerning the number of entities subject to Regulation C and the hours of paperwork burden under the statute (for a detailed breakdown of the burden estimates of the prudential regulators and HUD, please reference the other agencies' supporting statements for Regulation C, which can be found at www.reginfo.gov). The CFPB's enforcement authority is not necessarily limited to the entities covered by these agencies' estimates. In some instances, information regarding actual burden hours or dollar costs, or breakdowns of these hours or costs was not available from the other agencies. In these cases, CFPB has estimated the relevant figures based on data provided by the OCC and in some cases by the Board. The CFPB will conduct a more detailed review of burden allocations and provide more detailed estimates in its follow-up application to OMB for a standard approval of this information collection.

² These include 27 from the Board, 70 from the OCC, 24 from the OTS, 3 from the NCUA, and 56 from the FDIC. Pursuant to 12 U.S.C. 2804, and subject to subtitle B of the Consumer Financial Protection Act of 2010, compliance with HMDA shall be enforced by the CFPB with respect to any person subject to HMDA. In addition, 12 U.S.C. 2804 also provides that HUD shall have enforcement authority with respect to other lending institutions not subject to enforcement for HMDA by the appropriate Federal Banking Agency, as that term is defined in 12 U.S.C. 1813(q), the Bureau, or the National Credit Union Administration. Due to the difficulty of determining which entities that report data to HUD are subject to enforcement by the CFPB, the CFPB has attributed to itself the PRA burden for all reporters that had previously reported data to HUD as of December 30, 2011. This attribution does not change actual enforcement authority with respect to HMDA. Further, there may in the future be entities that are required to report data to HUD pursuant to HMDA and HUD may be responsible for the PRA burden associated with those entities.

agency's own cost analysis. For a detailed breakdown of the cost analysis, please reference the other agencies' supporting statements for Regulation C.

13. Estimated Total Annual Cost Burden to Respondents or Recordkeepers

None.

14. Estimated Cost to the Federal Government

The total annual cost to the CFPB is estimated to be approximately \$768,000. The estimate includes, among other things, processing the information generated by the collection, producing a disclosure statement for each institution, and producing aggregate data for each MSA.

15. Program Changes or Adjustments

None.

16. Plans for Tabulation, Statistical Analysis, and Publication

The information collected is for use by the CFPB's examination program and for disclosure to the public after deletion of certain sensitive data elements.

17. Display of Expiration Date

Not applicable.

18. Exceptions to the Certification Requirement

None.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.