Federal Trade Commission
Supporting Statement for Information Collection
Provisions of Regulation Z
(Truth in Lending Act)
12 C.F.R. 226; 12 C.F.R. 1026
(OMB Control Number: 3084-0088)

1. Necessity for Collecting the Information

The Truth in Lending Act ("TILA"), 15 U.S.C. 1601 *et seq*., was enacted to foster comparison credit shopping and informed credit decision making by requiring accurate disclosure of the costs and terms of credit to consumers. Creditors and others are subject to calculation and disclosure requirements that apply to open-end credit (*e.g*., revolving credit or credit lines) and closed-end credit (*e.g.*, installment financing) up to $50,000 plus an annual adjustment (except for private education loans and credit secured by real property, which are covered regardless of dollar amount). The change in coverage based on the dollar amount was made by the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act"), Pub. L. 111-203,124 Stat 1376 (2010).

The TILA imposes disclosure requirements on all types of creditors in connection with consumer credit, including mortgage companies, finance companies, retailers, credit card issuers, and private education loan companies, to ensure that consumers are fully apprised of the terms of financing, generally prior to consummation of the transaction or, in some instances, earlier in time and, in other instances, during the loan term. It also imposes advertising disclosure requirements on advertisers of consumer credit. It also requires acquirers of mortgage loans to disclose the change in the ownership of the loan to the borrower, and requires creditors and others to report appraiser misconduct to state licensing authorities. The TILA requires institutions of higher education to disclose their agreements regarding the marketing of credit cards and requires credit card issuers to annual submit reports of credit card agreements. The TILA also requires credit card issuers to post credit card agreements on their web sites. The TILA also establishes billing error resolution procedures and limits consumer liability for the unauthorized use of credit cards. It also requires credit card issuers to establish written policies and procedures to ensure that an administrator of an estate of a deceased account holder can ascertain the amount of an account balance in a timely fashion. An amendment to the TILA, the Home Ownership and Equity Protection Act ("HOEPA"), imposes, among other things, various disclosure and other requirements on creditors offering certain high-rate, high-fee mortgage loans to consumers; various requirements now also apply to certain higher priced mortgages.

Subject to the discussion below, the Federal Trade Commission ("FTC" or "Commission") enforces the TILA as to all creditors and others and advertisers except those (such as federally chartered or insured depository institutions) that are subject to the regulatory authority of another federal agency. The TILA also contains a private right of action with a one-year statute of limitations for consumers; for certain mortgage actions, TILA now provides a three-year statute of limitations.

The Board of Governors of the Federal Reserve System ("FRB") promulgated the original Regulation Z (12 C.F.R. Part 226) to implement the TILA, as required by the statute.

Under the Dodd-Frank Act, however, almost all rulemaking authority for the TILA transferred from the FRB to the Consumer Financial Protection Bureau ("CFPB") on July 21, 2011 ("transfer date"). To implement this transferred authority, the CFPB has published for public comment interim final rules for new regulations in 12 C.F.R. 1026 (Regulation Z) for those entities under its rulemaking jurisdiction.[1] Although the Dodd-Frank Act transferred most rulemaking authority under TILA to the CFPB, the FRB retained rulemaking authority for certain motor vehicle dealers.[2]

As a result of the Dodd-Frank Act, the FTC and the CFPB now share the authority to enforce Regulation Z for entities for which the FTC had enforcement authority before the Act, except for certain motor vehicle dealers. The FTC generally has sole authority to enforce Regulation Z regarding motor vehicle dealers predominantly engaged in the sale and servicing of motor vehicles, the leasing and servicing of motor vehicles, or both.[3]

Recordkeeping

Sections 226.25(a)/1026.25(a) of Regulation Z requires creditors to retain evidence of compliance with the regulation (other than the advertising requirements) for two years after the date disclosures are required to be made or other action is required to be taken. Regulation Z also provides that the FTC (and other administrative agencies responsible for enforcing the TILA) may require creditors under their jurisdictions to retain records for a longer period if necessary to carry out their enforcement responsibilities under the TILA. The recordkeeping requirement ensures that records that might contain evidence of violations of the TILA remain available to the FTC and other agencies, as well as to private litigants.

Disclosure

The disclosures required by Regulation Z are derived from statutory provisions under the TILA. *See e.g.*, 12 C.F.R. 226.5a, 12 C.F.R. 1026.60**,** 15 U.S.C. 1637(c)-(g); 12 C.F.R. 226.5b, 12 C.F.R. 1026.40, 15 U.S.C. 1637a and 1647; 12 C.F.R. 226.6, 12 C.F.R. 1026.6, 15 U.S.C. 1637(a); 12 C.F.R. 226.7, 12 C.F.R. 1026.7, 15 U.S.C. 1637(b) (various open-end disclosures); 12 C.F.R. 226.11(c); 12 C.F.R. 1026.11(c); 15 U.S.C. 1651 (timely settlement of estate of deceased obligors); 12 C.F.R. 226.18, 12 C.F.R. 1026.18, 15 U.S.C. 1638; 12 C.F.R. 226.33, 12 C.F.R.1026.33, 15 U.S.C. 1648 (various closed-end credit and reverse mortgage disclosures); 12 C.F.R. 226.32 and 226.34, 12 C.F.R. 1026.32 and 1026.34, 15 U.S.C. 1639 (various high-rate, high-fee closed-end credit disclosures); 12 C.F.R. 226.39; 12 C.F.R. 1026.39; 15 U.S.C. 1641(g)

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[1] 12 C.F.R. 1026 (Reg. Z) (76 Fed. Reg. 79,768, Dec. 22, 2011). Because both the FRB and CFPB have certain rulemaking authority under Regulation Z – as discussed further below – citations to both aspects of the regulation are included in this document. Hence, 12 C.F.R. 226 refers to the FRB-issued Regulation Z; 12 C.F.R. 1026 refers to the CFPB-issued Regulation Z. Generally, these two aspects of Regulation Z are virtually identical, other than occasional minor technical differences, and citations.

[2] Generally, these are dealers "predominantly engaged in the sale and servicing of motor vehicles, the leasing and servicing of motor vehicles, or both." *See* Dodd-Frank Act, § 1029(a), -(c).

[3] *See* Dodd-Frank Act, § 1029(a), -(c).

(disclosure of change in mortgage loan ownership); 12 C.F.R. 226.42(g); 12 C.F.R. 1026.42(g); 15 U.S.C. 1639e (appraisal independence requirements); 12 C.F.R. 226.57(b); 12 C.F.R. 1026.57(b); 15 USC 1650(f) (disclosure of credit card marketing agreements by institutions of higher education); 12 C.F.R. 226.57(d); 12 C.F.R. 1026.57(d); 15 U.S.C. 1637(r)(2) (annual reporting by credit card issuers of agreements with institutions of higher education and others); 12 C.F.R. 226.58; 12 C.F.R. 1026.58; 15 U.S.C. 1632(d)(1) (internet posting of credit card agreements).

The FRB and CFPB have issued model forms and clauses that can be used to comply with the written disclosure (non-advertising) requirements of the TILA and Regulation Z. *See, e.g.*, Appendices D-H and K-L 12 to C.F.R. Part 226; Appendices D-H and K-L to 12 C.F.R. Part 1026. Correct use of these model forms and clauses insulates creditors from liability under the TILA and Regulation Z. *See* FRB Official Staff Commentary to Regulation Z ("FRB Commentary"), Appendixes G and H, Comment 1; 12 C.F.R. 226, Appendixes G and H, Supp. 1; CFPB Official Staff Commentary to Regulation Z ("CFPB Commentary"), Appendixes G and H, Comment 1; 12 C.F.R. 226, Appendixes G and H, Supp. 1.

2. Use of the Information

The FTC, other agencies, and private litigants use the records to ascertain whether accurate and complete disclosures of the cost of credit have been provided to consumers prior to consummation of the credit obligation and, in some instances, during the loan term. The information is also used to determine whether other actions required under the TILA, including complying with billing error resolution procedures and limitation of consumer liability for unauthorized use of credit, have been met. The information retained provides the primary evidence of law violations in TILA enforcement actions brought by the FTC. Without the Regulation Z recordkeeping requirement, the FTC's ability to enforce the TILA would be significantly impaired.

As noted above, consumers rely on the disclosures required by the TILA and Regulation Z to comparison credit shop and to facilitate informed credit decision making. Without this information, consumers would be severely hindered in their ability to assess the true costs and terms of financing offered. Also, without the special billing error information and other credit card provisions, such as limitation of consumer liability for unauthorized use of credit, consumers would be unable to detect and correct errors on their credit card accounts and fraudulent charges. The FTC and private litigants need the information in these disclosures and other requirements to enforce the TILA and Regulation Z. *See* 15 U.S.C. 1607, 1640.

3. Consideration of the Use of Improved Information Technology

The FRB and CFPB have issued rules to establish uniform standards for using electronic communication to deliver disclosures required under Regulation Z, within the context of the Electronic Signatures in Global and National Commerce Act ("ESIGN"), 15 U.S.C. 7001 *et seq*. 72 Fed. Reg. 63,462 (Nov. 9, 2007); 76 Fed. Reg. 79,768 (Dec. 22, 2011). These rules enable businesses to utilize electronic disclosures and compliance, consistent with the requirements of

ESIGN. Use of such electronic communications is also consistent with the Government Paperwork Elimination Act ("GPEA"), codified at 44 U.S.C. 3504, note. ESIGN and GPEA serve to reduce businesses' compliance burden related to federal requirements, including Regulation Z, by enabling businesses to utilize more efficient electronic media for disclosures and compliance.

Regulation Z also permits creditors to retain records on microfilm or microfiche or any other method that reproduces records accurately, including computer programs. Creditors need only retain enough information to reconstruct the required disclosure or other records. Section 226.25(a)-2 of the FRB Commentary, 12 C.F.R. 226.25(a)-2; Section 1026.25(a)-2 of the CFPB Commentary, 12 C.F.R. 1026.25(a)-2.

4. Efforts to Identify Duplication/Availability of Similar Information

The recordkeeping requirement of Regulation Z preserves the information utilized by the creditor in making disclosures (and underlying calculations) of the terms of consumer credit and other required actions. The creditor is the only source of this information. No other federal law mandates these disclosures and other required actions. No state law known to staff imposes these requirements, although some states may have other rules applicable to consumer credit transactions.

Similarly, the disclosures required by the TILA and Regulation Z are not otherwise available. Although some credit cost information is contained in contractual documents, the information is not standardized. As a result, consumers cannot use it efficiently to comparison shop or to fully appreciate the credit terms. The creditor (and/or advertiser) is the only source of this information. No other federal law mandates these disclosures. State laws do not duplicate these requirements, although some states may have other rules applicable to consumer credit transactions.

5. Efforts to Minimize Burdens on Small Businesses

The TILA and Regulation Z recordkeeping and disclosure requirements are imposed (in most instances) on creditors. The recordkeeping requirement is mandated by Regulation Z. The disclosure requirements are mandated jointly by the TILA and Regulation Z. As previously noted, the FTC's role in this area is limited to enforcement, because the TILA vested rulemaking authority in the FRB and CFPB.

Additionally, as noted above, Regulation Z provides model forms and clauses that may be used in compliance with its requirements. Correct use of these forms and clauses insulates a creditor from liability as to proper format.

6. Consequences of Conducting Collection Less Frequently

The current record retention period of two years supports the one-year and three-year statutes of limitations for private actions, and the FTC's (and other administrative agencies') need for sufficient time to bring enforcement actions regarding credit transactions. If the retention period were shortened, consumers who sue under the TILA, and the administrative agencies, might find that creditor records needed to prove violations of the TILA no longer exist.

As noted, the disclosure requirements are needed to facilitate comparison cost shopping and to spur informed credit decisionmaking. Without these requirements, consumers would not have access to this critical information. Their right to sue under the TILA would be undermined, and the FTC (and other administrative agencies) could not fulfill their mandate to enforce the TILA.

7. Circumstances Requiring Collection Inconsistent with Guidelines

Regulation Z's recordkeeping and disclosure requirements are consistent with the applicable guidelines contained in 5 C.F.R. 1320.5(d)(2).

8. Consultation Outside the Agency

The recordkeeping and disclosure requirements of Regulation Z were issued by the FRB and CFPB. Before the regulation was initially issued and prior to each amendment, the amendments were published for public comment in the Federal Register.

More recently, the Commission sought public comment in connection with its latest PRA clearance request for these regulations, in accordance with 5 C.F.R. 1320.8(d). *See* 77 Fed. Reg. 6114 (Feb. 7, 2012). The Commission received one comment from the National Automobile Dealer's Association ("NADA") pertaining to regulatory burden affecting Regulation Z.[4]

NADA stated, as a general matter, that the FTC staff estimates greatly underestimate Regulation Z's recordkeeping and disclosure requirements for NADA members.[5] NADA provided illustrations of this point for Regulation Z, but did not provide sufficient specific information from which staff could revisit and revise its estimates. In its comment, NADA stated that Regulation Z closed-end credit advertising requires much more than one minute of review for individual dealers to gauge compliance with disclosure requirements. NADA, however, focused on the FTC estimate of the time per disclosure in an individual transaction, here, for advertisements. It is "setup/monitoring" burden, however, that addresses the time (and associated labor cost) applicable to systems review and monitoring for continued compliance. For credit advertising, estimated setup/monitoring burden is a half hour.

NADA also stated that the estimated burden total appears to assume an average of two transactions per respondent for advertising, with an average burden per transaction of one minute. NADA stated that automobile dealers advertise hundreds, if not thousands of vehicles per year in print, on television, radio, and on sometimes numerous websites and other electronic

[4] NADA's comment is available at http://www.ftc.gov/os/comments/regsbemzpra/index.shtm.

[5] NADA states that it represents approximately 16,000 new car and truck dealers, both domestic and import, with over 32,500 separate franchises. *Id*.

media, and that many are subject to Regulation Z. NADA, however, focused its discussion on vehicles; but the transaction that is being considered here, is, instead, advertisements. Moreover, promoting vehicles does not, by itself, subject the advertisement to coverage under Regulation Z. For example, the advertisement may offer sale prices of vehicles or make general statements about the availability of credit, which do not trigger advertising compliance responsibilities under Regulation Z. Other advertisements may be subject to exceptions under Regulation Z in which disclosures would not be required, such as offers that no downpayment or no trade-in is required.

Finally, as noted above, the Commission's jurisdiction covers a highly diverse universe of entities. Thus, the FTC's estimates may understate some entities' actual experience and perhaps overstate others'. On balance, though, FTC staff believes these estimates are a fair reflection for the overall universe affected, and the estimates factor into consideration that PRA "burden" does not include effort extended in the ordinary course of business independent of regulatory requirements. Consistent with 5 C.F.R. 1320.12(c), the FTC is again seeking public comment contemporaneously with this submission.

9. Payments or Gifts to Respondents

Not applicable.

10 & 11. Assurances of Confidentiality/Matters of a Sensitive Nature

The required recordkeeping and disclosures also contain private financial information about persons who use consumer credit that is protected by the Right to Financial Privacy Act, 12 U.S.C. 3401 *et seq.* Such records may also constitute confidential customer lists. Any of these records provided to the FTC would be covered by the protections of Sections 6(f) and 21 of the FTC Act, 15 U.S.C. 46(f) and 57b-2, by Section 4.10 of the Commission's Rules of Practice, 16 C.F.R. 4.10, and by the applicable exemptions of the Freedom of Information Act, 5 U.S.C. 552(b), as applicable.

12. Estimated Hours Burden: 12,663,373 (663,099 recordkeeping hours: 586,900 + 76,199 carve-out for motor vehicles + 12,000,274 disclosure hours: 10,957,621 + 1,042,653 carve-out for motor vehicles)

Because of their shared enforcement jurisdiction for Regulation Z, the CFPB and the FTC have divided the FTC's previously-cleared PRA burden between them,[6] except that the FTC retained all of the part of that burden associated with certain motor vehicle dealers (for brevity, referred to in the burden summaries below as a "carve-out").[7] The division of PRA burden hours

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[6] The CFPB also factored into its burden estimates respondents over which it has jurisdiction but the FTC does not.

[7] These are dealers specified by the Dodd-Frank Act under § 1029 (a), but as limited by subsection (b). Subsection (b) does not preclude CFPB regulatory oversight regarding, among others, businesses that extend retail credit or retail leases for motor vehicles in which the credit or lease offer is provided directly from those

not attributable to certain motor vehicle dealers is reflected in the CFPB's recent PRA clearance requests to OMB.[8] The FTC's burden estimates below reflect both the shared enforcement jurisdiction and the FTC's separate accounting under the PRA for its exclusive jurisdiction to enforce Regulation Z for such motor vehicle dealers.

Recordkeeping

FTC staff estimates that Regulation Z's recordkeeping requirements affect approximately 530,479 firms offering credit and subject to the Commission's jurisdiction, at an average annual burden of 1.25 hours per firm,[9] for a total of 663,099 hours.

Disclosure

Regulation Z disclosure requirements pertain to open-end and closed-end credit. It applies to various types of entities, including mortgage companies; finance companies; auto dealerships; private education loan companies; merchants who extend credit for goods or services, credit advertisers; acquirers of mortgages; and others. Below is staff's best estimate of burden applicable to this very spectrum of covered entities.

Regulation Z: Disclosures – Burden Hours

	Setup/Monitoring			Transaction-related			
Disclosures[1]	Respondents	Average Burden per Respondent[2] (hours)	Total Setup/ Monitoring Burden (hours)	Number of Transactions	Average Burden per Transaction[3] (minutes)	Total Transaction Burden (hours)	Total Burden (hours)
Open-end credit:							
Initial terms	45,000	.75	33,750	20,000,000	.375	125,000	158,750
Rescission notices[4]	1,875	.5	938	100,000	.25	417	1,355
Subsequent disclosures	10,000	.75	7,500	62,500,000	.188	195,833	203,333
Periodic statements	45,000	.75	33,750	1,750,000,000	.0938	2,735,833	2,769,583
Error resolution	45,000	.75	33,750	4,000,000	6	400,000	433,750
Credit and charge card accounts	25,000	.75	18,750	12,500,000	.375	78,125	96,875
Settlement of estate debts[5]	45,000	.75	33,750	1,000,000	.375	6,250	40,000
Special credit card requirements[6]	25,000	.75	18,750	12,500,000	.375	78,125	96,875
Home equity lines of credit[7]	1,875	.5	938	875,000	.25	3,646	4,584
College student credit card marketing – ed. institutions[8]	2,500	.5	1,250	250,000	.25	1,042	2,292
College student credit card marketing – card issuer reports[9]	300	.75	225	18,000	.75	225	450

businesses, rather than unaffiliated third parties, to consumers. It is not practicable, however, for PRA purposes, to estimate the portion of dealers that engage in one form of financing versus another (and that would or would not be subject to CFPB oversight). Thus, FTC staff's "carve-out" for this PRA burden analysis reflects a general estimated volume of motor vehicle dealers. This attribution does not change actual enforcement authority.

[8] OMB Control Number 3170-0015 (Regulation Z).

[9] This is an increase from past estimates of one hour per respondent in recognition of the breadth of amendments to Regulation Z and their associated impact on recordkeeping through increased coverage and more complex transactions.

Posting and reporting of credit card agreements[10]	25,000	.75	18,750	12,500,000	.375	78,125	96,875
Advertising	100,000	.75	75,000	300,000	.75	3,750	78,750
Sale, transfer, or assignment of mortgages[11]	1,875	.5	938	1,750,000	.25	7,292	8,230
Appraiser misconduct reporting[12]	625,000	.75	468,750	12,500,000	.375	78,125	546,875
Closed-end credit:							
Credit disclosures[13]	380,480	.75	285,360	163,225,920	2.25	6,120,972	6,406,332
Rescission notices[14]	18,750	.5	9,375	7,500,000	1	125,000	134,375
Redisclosures[15]	200,000	.5	100,000	1,000,000	2.25	37,500	137,500
Variable rate mortgages[16]	17,500	.5	8,750	500,000	1.5	12,500	21,250
High rate/high-fee mortgages and higher priced mortgages[17]	10,000	.5	5,000	125,000	1.5	3,125	8,125
Reverse mortgages[18]	12,500	.5	6,250	43,750	1	729	6,979
Advertising	240,240	.5	120,120	480,480	1	8,008	128,128
Private education loans[19]	100	.5	50	50,000	1.5	1,250	1,300
Sale, transfer, or assignment of mortgages[20]	100,000	.5	50,000	5,000,000	.25	20,833	70,833
Appraiser misconduct reporting[21]	625,000	.75	468,750	12,500,000	.375	78,125	546,875
Total open-end credit							4,538,577
Total closed-end credit							7,461,697
Total credit							12,000,274

[1] Regulation Z requires disclosures for closed-end and open-end credit. TILA and Regulation Z now cover credit up to $50,000 plus an annual adjustment (except that real estate credit and private education loans are covered regardless of amount), generally causing an increase in transactions. In some instances noted below, market changes have reduced estimated PRA burden. In other instances noted below, changes to Regulation Z have increased estimated PRA burden. The overall effect of these competing factors, combined with the FTC now sharing with the CFPB estimated PRA burden (for all but certain motor vehicle dealers) yields a net decrease from the FTC's prior reported estimate for open-end credit and a net increase from the FTC's prior burden estimate for closed-end credit.

[2] Burden per respondent in many categories has increased compared to prior FTC estimates, due to changes in rules.
[3] Burden per transaction in many categories has increased compared to prior FTC estimates, due to changes in rules.
[4] Mortgages have decreased.
[5] Regulation Z now requires disclosures for timely settlement of estate debts.
[6] Regulation Z now has special credit card requirements.
[7] Home equity lines of credit have decreased.
[8] Regulation Z now requires higher education institutions to disclose credit card marketing agreements.
[9] Regulation Z now requires card issuers to submit reports on college student credit card marketing.
[10] Regulation Z now requires card issuers to post and report general credit card agreements.
[11] Regulation Z now requires certain acquirers of legal title to disclose the sale, transfer, or assignment of mortgages.
[12] Regulation Z now requires reporting of appraiser misconduct.
[13] Estimated closed-end credit disclosure transactions have increased from the FTC's previously cleared estimate.
[14] Mortgages have decreased.
[15] Regulation Z now has substantial redisclosure requirements. Previously, redisclosures generally were provided in the ordinary course of business. Rule changes since set numerous procedures and circumstances for redisclosures.
[16] Variable rate mortgages have decreased.
[17] Mortgages have decreased.
[18] Reverse mortgages have decreased.
[19] Regulation Z now requires disclosures for private education loans.
[20] Regulation Z now requires certain acquirers of legal title to disclose the sale, transfer, or assignment of mortgages.
[21] Regulation Z now requires reporting of appraiser misconduct.

Associated labor costs: $394,396,492 ($11,537,924 recordkeeping costs: $10,212,060 + $1,325,864 carve-out for motor vehicles + $382,858,568 disclosure costs: $349,597,924 + $33,260,644 carve-out for motor vehicles)

Staff calculated labor costs by applying appropriate hourly cost figures to the burden hours described above. The hourly rates used below ($49 for managerial or professional time, $30 for skilled technical time, and $16 for clerical time) are averages.

Recordkeeping

For the 663,099 recordkeeping hours, staff estimates that 10 percent of the burden hours require skilled technical time and 90 percent require clerical time. As shown below, the total recordkeeping cost is $11,537,924.

Disclosure

For each notice or information item listed, staff estimates that 10 percent of the burden hours require managerial or professional time and 90 percent require skilled technical time. As shown below, the total disclosure cost is $382,858,568.

Regulation Z: Recordkeeping and Disclosures – Cost

Required Task	------Managerial------ Time (hours)	Cost ($49/hr.)	-----Skilled Technical----- Time (hours)	Cost ($30/hr.)	--------Clerical-------- Time (hours)	Cost ($16/hr.)	Total Cost ($)
Recordkeeping	0	$0	66,310	$1,989,300	596,789	$9,548,624	$11,537,924
Open-end credit Disclosures:							
Initial terms	15,875	$777,875	142,875	$4,286,250	0	$0	$5,064,125
Rescission notices	135	$6,615	1,220	$36,600	0	$0	$43,215
Subsequent disclosures	20,333	$996,317	183,000	$5,490,000	0	$0	$6,486,317
Periodic statements	276,958	$13,570,942	2,492,625	$74,778,750	0	$0	$88,349,692
Error resolution	43,375	$2,125,375	390,375	$11,711,250	0	$0	$13,836,625
Credit and charge card accounts	9,688	$474,712	87,187	$2,615,610	0	$0	$3,090,322
Settlement of estate debts	4,000	$196,000	36,000	$1,080,000	0	$0	$1,276,000
Special credit card requirements	9,688	$474,712	87,187	$2,615,610	0	$0	$3,090,322
Home equity lines of credit	458	$22,442	4,126	$123,780	0	$0	$146,222
College student credit card marketing – ed institutions	229	$11,221	2,063	$61,890	0	$0	$73,111
College student credit card marketing – card issuer reports	45	$2,205	405	$12,150	0	$0	$14,355
Posting and reporting of credit card agreements	9,688	$474,712	87,187	$2,615,610	0	$0	$3,090,322
Advertising	7,875	$385,875	70,875	$2,126,250	0	$0	$2,512,125
Sale, transfer, or assignment of mortgages	823	$40,327	7,407	$222,210	0	$0	$262,537
Appraiser misconduct reporting	54,687	$2,679,663	492,188	$14,765,640	0	$0	$17,445,303
Total open-end credit							$144,780,593
Closed-end credit Disclosures:							
Credit disclosures	640,633	$31,391,017	5,765,699	$172,970,970	0	$0	$204,361,987
Rescission notices	13,437	$658,413	120,938	$3,628,140	0	$0	$4,286,553
Redisclosures	13,750	$673,750	123,750	$3,712,500	0	$0	$4,386,250
Variable rate mortgages	2,125	$104,125	19,125	$573,750	0	$0	$677,875
High-rate/high-fee mortgages and higher priced mortgages	969	$47,481	8,719	$261,570	0	$0	$309,051
Reverse mortgages	698	$34,202	6,281	$188,430	0	$0	$222,632
Advertising	12,813	$627,837	115,315	$3,459,450	0	$0	$4,087,287
Private education loans	130	$6,370	1,170	$35,100	0	$0	$41,470
Sale, transfer, or assignment of mortgages	7,083	$347,067	63,750	$1,912,500	0	$0	$2,259,567
Appraiser misconduct reporting	54,687	$2,679,663	492,188	$14,765,640	0	$0	$17,445,303

Total closed-end credit	$238,077,975
Total Disclosures	$382,858,568
Total Recordkeeping and Disclosures	$394,396,492

13. Estimated Capital and Other Non-Labor Costs

The applicable requirements impose minimal start-up costs, as creditors and/or advertisers generally have or obtain necessary equipment for other business purposes. For the same reason, staff believes that the cost of printing and copying to comply with Regulation Z is minimal. Staff anticipates that the above requirements necessitate ongoing, regular training so that covered entities stay current and have a clear understanding of federal mandates. This training, however, would be a small portion of and subsumed within the ordinary training that employees receive apart from that associated with collecting information to comply with Regulation Z.

14. Estimated Cost to Federal Government

The FRB and CFPB issued the recordkeeping requirement of Regulation Z, so there is no cost to the FTC for that purpose. Enforcement of the recordkeeping requirements of Regulation Z is incidental to overall enforcement of the TILA. Staff estimates that enforcing the recordkeeping requirement will cost the FTC Bureau of Consumer Protection approximately $157,816, which is a representative year's cost of enforcing Regulation Z's requirements during the three-year clearance period sought. This estimate is based on the assumption that one attorney work year will be expended. Clerical and other support services are included in this estimate.

The FRB and CFPB issued the disclosure requirements of Regulation Z, so there is no cost to the FTC for that purpose. Regarding enforcement of the disclosure requirements, staff estimates that the cost to the FTC Bureau of Consumer Protection of administering all TILA requirements will approximate $1.4 million. This estimate is based on the assumption that eight full attorney work years and one other professional work year will be expended to enforce various aspects of these rules. Clerical and other support services are also included in this estimate.

15. Program Changes or Adjustments

FTC staff have adjusted upward the prior overall burden estimate by 247,955 hours (from 12,415,418 to 12,663,373). This reflects the burden splitting noted above regarding shared enforcement authority with the CFPB, but that is offset by countervailing increases due to the breadth of amendments to Regulation Z and their impact on recordkeeping and disclosure through expanded coverage and more complex transactions.

16. Publishing Results of the Collection of Information

Not applicable.

17. Display of Expiration Date for OMB Approval

Not applicable.

18. Exceptions to the Certifications for PRA Submissions

Not applicable.