

**Supporting Statement for
OMB Control Number 1557-0243
Registration of Mortgage Loan Originators**

A. Justification

1. Circumstances that make the collection necessary:

The regulations under this information collection (12 CFR Part 34, Subpart F) have been transferred to the Bureau of Consumer Financial Protection (CFPB) pursuant to title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. 111-203, 124 Stat. 1990, July 21, 2010 (Dodd-Frank Act), and republished as CFPB regulations (12 CFR Part 1007)(76 FR 78483 (December 19, 2011)). The burden estimates have been revised to remove the burden for OCC-regulated institutions with over \$10 billion in assets, now carried by CFPB pursuant to section 1025 of the Dodd-Frank Act, and to remove the initial start-up burden. The OCC retains enforcement authority for its institutions with \$10 billion in assets or less.

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 (MLO) to register with the Nationwide Mortgage Licensing System and Registry (Registry) and obtain a unique identifier. Agency-regulated institutions must require their employees who act as residential MLOs to comply with the Act's requirements to register and obtain a unique identifier and also adopt and follow written policies and procedures to assure compliance with these requirements.

The Registry is intended 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.

The Agencies jointly developed and maintain a system for registering MLOs employed by Agency-regulated institutions with the Registry. The Agencies, at a minimum, must furnish or cause to be furnished to the Registry information concerning the MLOs identity, including: (1) fingerprints for submission to the Federal Bureau of Investigations 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.

2. Use of the information:

MLO Reporting Requirements

Unless the de minimis exception or a different implementation period applies,

12 CFR 1007.103(a) requires an employee of a institution who is engaged in the business of a MLO to register with the Registry, maintain such registration, and obtain a unique identifier. Under § 1007.103(b), an institution must require each such registration to be renewed annually and updated within 30 days of the occurrence of specified events. Section 1007.103(d) sets forth the categories of information that an employee, or the employing institution in the employee's behalf, must submit to the Registry, along with the employee's attestation as to the correctness of the information supplied, and an authorization to obtain further information.

MLO Disclosure Requirement

Section 1007.105 (b) requires the MLO to provide the unique identifier to a consumer upon request.

Financial Institution Reporting Requirements

Section 1007.103(e) specifies the institution and employee information that an institution must submit to the Registry in connection with the initial registration of one or more MLOs, and thereafter update.

Financial Institution Disclosure Requirements

Section 1007.105(a) requires the institution to make the unique identifier of MLO employees available to consumers in a manner and method practicable to the institution.

Financial Institution Recordkeeping Requirements

- Section 1007.103(d)(1)(xii) requires the collection of MLO employee fingerprints.
- Section 1007.104 requires that a institution employing MLOs to:
 - Adopt and follow written policies and procedures, at a minimum addressing certain specified areas, but otherwise appropriate to the nature, size and complexity of their mortgage lending activities.
 - Establish reasonable procedures and tracking systems for monitoring registration compliance.
 - Establish a process for, and maintain records related to, employee criminal history background reports and actions taken with respect thereto.

3. Consideration of the use of improved information technology:

The Federal registration and state licensing and registration is completed through the Nationwide Mortgage Licensing System and Registry; a web-based system developed and maintained by the Conference of State Bank Supervisors and the American Association of Residential Mortgage regulators jointly through the State Regulatory Registry LLC. The electronic form is stored in a secured, centralized repository.

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 banks, 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.

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 March 15, 2012 the OCC published a 60-day Federal Register notice to renew this collection. (77 FR 15456). No comments were received.

9. Payment to respondents:

None.

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:

Policies and Procedures; Tracking and Compliance Systems:

New Banks Chartered Annually: 3 x 351 hours (300 recordkeeping; 51 reporting) = 1,053 hours

MLO Initial Set up:

Number of New MLOs Annually: 6,000 x 3.5 hours (2.5 reporting; 1 disclosure) = 21,000 hours

Mortgage Loan Originator Update:

36,000 MLOs x 0.25 hours = 9,000 hours

Annual Burden: 30,933 hours

Total Respondents: 42,003.

Total Burden: 31,053 hours.

The OCC estimates the cost of the hour burden to respondents as follows:

MLO Cost: 30,000 hours @ \$20/hour = \$600,000

Bank Cost:

Support Staff: 40% of 1,053 hours @ \$25/hour = \$10,530

Professional Staff: 50% of 1,053 @ \$55/hour = \$28,957.50

Senior Management: 5% of 1,053 @ \$100/hour = \$5,265

Legal Counsel: 5% of 1,053 @ \$144/hour = \$7,581.60

Registration fees:

Registration fees of approximately \$30 per bank = \$90

Total Cost: \$52,424.10

13. Estimates of annualized costs to respondents:

Not applicable.

14. Estimate of annualized costs to the government:

Not applicable.

15. Change in burden:

Former Burden: 2,140,301 hours

Current Burden: 31,053 hours

Decrease in Burden: -2,109,248 hours

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

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

17. Display of expiration date:

Not applicable.

18. Exceptions to certification statement:

None.

B. Collections of Information Employing Statistical Methods

Not applicable.