

Supporting Statement
Procedures to Enhance the Accuracy and
Integrity of Information Furnished to Consumer
Reporting Agencies under Section 312 of the
Fair and Accurate Credit Transactions Act of 2003
OMB Control No. 1557-0238

A. Justification

1. Circumstances that make the collection necessary:

Section 312 of the Fair and Accurate Credit Transactions Act of 2003 (FACT Act) required the issuance of guidelines for use by furnishers regarding the accuracy and integrity of the information about consumers that they furnish to consumer reporting agencies and to prescribe regulations requiring furnishers to establish reasonable policies and procedures for implementing the guidelines. Section 312 also required the issuance of regulations identifying the circumstances under which a furnisher must reinvestigate disputes about the accuracy of information contained in a consumer report based on a direct request from a consumer. These regulations were 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. 2036, July 21, 2010 (Dodd-Frank Act), and republished as CFPB regulations (76 FR 79308 (December 21, 2011)). The CFPB has enforcement authority over OCC institutions over \$10 billion in total assets and the OCC retains enforcement authority for its institutions with \$10 billion in assets or less. Therefore, this collection has been amended to remove the burden for OCC institutions with over \$10 billion in assets, which is now carried by the CFPB and the start-up burden, other than that for new charters.

2. Use of the information:

Twelve CFR 1022.42(a) requires furnishers to establish and implement reasonable written policies and procedures regarding the accuracy and integrity of information relating to consumers that they provide to a consumer reporting agency (CRA). Furnishers' accuracy and integrity policies and procedures may include their existing policies and procedures that are relevant and appropriate.

Section 1022.43(a) permits consumers to initiate disputes directly with the furnishers in certain circumstances. This gives consumers a way to dispute consumer report information; instead of having to go through a CRA as permitted by the Fair Credit Reporting Act, consumers have the right to go directly to the furnisher in certain circumstances. Under the final rule, furnishers have to follow a process substantially similar to the current one for handling disputes submitted through a CRA.

Section 1022.43(f)(2) incorporates the statutory requirement that a furnisher must notify a consumer by mail or other means (if authorized by the consumer) not later than five business days after making a determination that a dispute is frivolous or irrelevant. Section 1022.43(f)(3)

incorporates the statute's content requirements for the notices.

3. Consideration of the use of improved information technology:

National banks 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 banks, regardless of size, only the minimum burden necessary to accomplish the program objectives. 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 requirements of the statute would not be met.

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 May 4, 2012 the OCC published a 60-day *Federal Register* notice requesting public comment on the information collection. 77 FR 26605. 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:

There are no questions of a sensitive nature.

12. Burden estimates:

Reporting Burden

Estimated number of respondents: 3 (new charters).

Estimated reporting burden per respondent: 40 hours. (24 hours in the first year to implement written policies; 8 hours in the first year to amend procedures for handling complaints received directly from consumers; and 8 hours to implement the new dispute notice requirement.)

Total estimated annual reporting burden: 120 hours.

Disclosure Burden

Estimated number of respondents: 1,918.

Estimated number of frivolous or irrelevant disputes: 476,000.

Estimated number of additional non-frivolous or irrelevant disputes: 318,582.

Estimated burden per dispute notice: 14 minutes.

Total Estimated Disclosure Burden: 185,403 hours.

Total Burden

Total estimated annual burden: 185,523 hours.

Estimated Cost

Dispute Notices: 794,582 notices x \$8.00 per notice = \$6,356,656

Reporting:

Compliance Staff	33.33% x 120 = 3,999.60 @ \$107 = \$ 427,957.20
Senior Management	33.33% x 120 = 3,999.60 @ \$134 = 535,946.40
Legal Counsel	33.33% x 120 = 3,999.60 @ \$161 = <u>643,935.60</u>
Total:	1,607,839.20

Frivolous or Irrelevant Dispute Notices	<u>\$6,356,656.00</u>
Total	\$7,964,495.20

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: 2,312 respondents; 1,183,057 burden hours.

Current burden: 1,918 respondents; 185,523 burden hours.

Difference: -394 respondents; -997,534 burden 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.