

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

**A. JUSTIFICATION**

**1. Circumstances Necessitating the Data Collection**

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 notice of final rule was published in the Federal Register (77 FR 8721), on February 15, 2012.

In response to the Federal Register notice (77 FR 2685), dated January 19, 2012, we received no comments during the comment period regarding this interim final rule.

**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. 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, CFPB is being allocated burden for 180 depository institutions (comprising depository institutions with total assets of more than \$10 billion and their depository affiliates)<sup>1</sup>

Associated Labor Costs: \$ 4,535,979

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 \$4,535,979. This estimate was calculated by summing the CFPB's share of costs from the supporting statements of the other agencies, following each 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**

As suggested by OMB, our Federal Register notice dated January 19, 2012, requested public comments on estimates of cost burden that are not captured in the estimates of burden hours, i.e., estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information. However, we did not receive any responses from individuals on this subject. As a result, estimates of these cost burdens are not available at this time.

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<sup>1</sup> 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.

#### **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**

There were no changes made to the document that resulted in any change to the burden previously reported to OMB.

We are making this submission to renew the OMB approval.

#### **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**

We believe that displaying the OMB expiration date is inappropriate because it could cause confusion by leading consumers to believe that the regulation sunsets as of the expiration date. Consumers are not likely to be aware that the Bureau intends to request renewal of OMB approval and obtain a new expiration date before the old one expires.

#### **18. Exceptions to the Certification Requirement**

None.

**Note:** The following paragraph applies to all of the collections of information in this submission:

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number.