CONSUMER FINANCIAL PROTECTION BUREAU
INFORMATION COLLECTION REQUEST – SUPPORTING STATEMENT
ELECTRONIC FUND TRANSFER ACT (REGULATION E) 12 CFR 1005
(OMB CONTROL NUMBER: 3170-0014)

A. JUSTIFICATION

1. Circumstances Necessitating the Data Collection

The Electronic Fund Transfer Act (EFTA), 15 U.S.C. 1693 *et seq*., requires accurate disclosure of the costs, terms and rights relating to electronic fund transfer (EFT) services and remittance transfer services to consumers. Entities offering EFT services must provide consumers with full and accurate information regarding consumers' rights and responsibilities in connection with EFT services. These disclosures are intended to protect the rights of consumers using EFT services, such as automated teller machine (ATM) transfers, telephone bill-payment services, point-of-sale transfers at retail establishments, electronic check conversion, payroll cards, and preauthorized transfers from or to a consumer's account. The EFTA also establishes error resolution procedures and limits consumer liability for unauthorized transfers in connection with EFT services. The EFTA and Regulation E impose disclosure and other requirements on issuers and sellers of gift cards, gift certificates, and general-use prepaid cards. Further, the EFTA and Regulation E were recently amended to provide protections for consumers in the United States who send remittance transfers to persons in a foreign country.

Historically, the EFTA was implemented in Regulation E of the Board of Governors of the Federal Reserve System (Board), 12 CFR Part 205. The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), Pub. L. 111-203,124 Stat. 1376 (2010) transferred rulemaking authority for the EFTA to the Bureau of Consumer Financial Protection (CFPB or the Bureau), effective July 21, 2011. On December 27, 2011, the CFPB republished Regulation E in 12 CFR part 1005, making technical and conforming changes to reflect the transfer of authority and certain other changes made by the Dodd-Frank Act. Under the Dodd-Frank Act, the CFPB must issue a final rule implementing the amendments to EFTA concerning remittance transfers by January 21, 2012. Under the Dodd-Frank Act, in addition to the transfer of rulemaking authority, the CFPB received certain enforcement authorities with respect to the EFTA. The EFTA also contains a private right of action with a one-year statute of limitations for aggrieved consumers.

The CFPB is currently discussing appropriate methodologies and burden sharing arrangements with the other Federal agencies that share administrative enforcement authority under this and other regulations for which certain rulewriting and enforcement authority transferred to the Bureau on July 21, 2011. Given the statutory deadline for the final rule, the CFPB is submitting the collection of information to OMB prior to the conclusion of such negotiations. If the estimates described herein change as a result of the discussions, the CFPB will submit revised estimates to OMB.

Recordkeeping

Section 1005.13(c) of Regulation E requires entities subject to the EFTA to retain for two years evidence of compliance with the regulation. Regulation E also provides that any entity subject to the

EFTA that is notified by the CFPB (or other administrative agency) that it is being investigated or is the subject of an enforcement proceeding, or that has been notified of a private or criminal action being filed, shall retain evidence of compliance until final disposition of the matter, or such earlier time as allowed by a court or agency order. The recordkeeping requirement insures that records that might contain evidence of violations of the EFTA remain available to Federal agencies, as well as to private litigants.

In addition, section 1005.33(g)(2) requires that the policies and procedures concerning error resolution of remittance transfer providers must include provisions regarding the retention of documentation related to error investigations. Remittance transfer providers must retain evidence of this compliance for two years.

Disclosure

The vast majority of Regulation E's disclosure requirements are statutorily mandated by the EFTA. *See, e.g.*; initial disclosures, 12 CFR 1005.7, 15 U.S.C. 1693c(a), 1005.18(c)(1); change in terms, 12 CFR 1005.8, 15 U.S.C. 1693c(b); receipts at electronic terminals, 12 CFR 1005.9(a), 15 U.S.C. 1693d(a); periodic statements, 12 CFR 1005.9(b), 15 U.S.C. 1693c; certain preauthorized transfer requirements 12 CFR 1005.10, 15 U.S.C. 1693e; certain error resolution requirements, 12 CFR 1005.11, 15 U.S.C. 1693f; and disclosures for remittance transfers, 12 CFR 1005.31, 15 U.S.C. 1693o-1. The CFPB has issued model forms and clauses that can be used to comply with the written disclosure requirements of the EFTA and Regulation E. *See* Appendix A to Regulation E. Correct use of these model forms and clauses protects entities from liability for the respective requirements under the EFTA and Regulation E. *Id.*

2. <u>Use of the Information</u>

Federal agencies and private litigants use the records to ascertain whether accurate and complete disclosures of EFT services and other services covered under Regulation E have been provided and other required actions (for example, error resolution and limitation of consumer liability for unauthorized transfers) have been taken. This information will provide the primary evidence of law violations in EFTA enforcement actions brought by the CFPB and other Federal agencies. Without the Regulation E recordkeeping requirements, the Federal agencies' abilities to enforce the EFTA would be significantly impaired.

Consumers rely on the disclosures required by the EFTA and Regulation E to facilitate informed EFT, gift card, and remittance transfer decision making. Without this information, consumers would be severely hindered in their ability to assess the true costs and terms of the transactions offered. Also, without the special error resolution and limitation of consumer liability provisions, consumers would be unable to detect and correct unauthorized transfers and errors in their EFT and remittance transfer transactions. These disclosures and provisions are also necessary for the enforcement agencies to enforce the EFTA and Regulation E.

3. <u>Use of Information Technology</u>

Regulation E provides rules to establish uniform standards for using electronic communication to deliver disclosures required under Regulation E, within the context of the Electronic Signatures in Global and National Commerce Act (ESIGN), 15 U.S.C. 7001 *et seq*. 72 FR 63452 (Nov. 9, 2007). These rules

enable businesses to use electronic disclosures, consistent with the requirements of ESIGN, which became effective on Oct. 1, 2000. Use of such electronic communications is also consistent with the Government Paperwork Elimination Act (GPEA), Title XVII of Pub. L. 105-277, codified at 44 U.S.C. 3504 note. ESIGN and GPEA serve to reduce businesses' compliance burden related to federal requirements, including Regulation E, by enabling businesses to utilize more efficient electronic media for disclosures and compliance.

Regulation E also permits entities to retain records on microfilm, microfiche, magnetic tape or other methods capable of accurately retaining and reproducing information. Business entities need only retain evidence demonstrating that their procedures reasonably ensure the consumer's receipt of required disclosures and documentation; the entity need not retain records of the actual disclosures and documentation given to each consumer. Comment 1005.13(b)-1.

In addition, due to the nature of electronic fund transfers and remittance transfers, most entities that use such transfers and are covered by the EFTA use computer support and various electronic means to facilitate generation of the mandated disclosures, thereby limiting burden.

4. Efforts to Identify Duplication

The recordkeeping requirement of Regulation E preserves the information an affected entity uses in making disclosures and taking other required actions regarding EFT and other services covered under Regulation E. The entity is the only source of this information. No other federal law mandates its retention, although some states may have similar requirements.

Similarly, covered entities are the only source of the information contained in the disclosures required by the EFTA and Regulation E. No other federal law mandates these disclosures. State laws do not duplicate these requirements, although some states may have other rules applicable to EFT and other services covered under Regulation E.

5. Efforts to Minimize Burdens on Small Entities

The Regulation E recordkeeping and disclosure requirements are imposed on financial institutions and entities offering EFT and other services covered under Regulation E. The recordkeeping requirement is mandated by Regulation E. The disclosure requirements are mandated by the EFTA and/or Regulation E.

Most entities offering EFT and other services covered under Regulation E today utilize some degree of computerization in their businesses, which further assists in facilitating compliance with Regulation E. Additionally, as noted above, Regulation E provides model forms that may be used in compliance with its requirements. Correct use of these forms insulates a financial entity from liability from the respective requirements.

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

Information collection pursuant to Regulation E is triggered by specific events, and disclosures must be provided to consumers within the time periods established by the law and regulation. The current record retention period of two years supports the one-year statute of limitations for private

actions, and the CFPB's need for sufficient time to bring enforcement actions regarding EFT transactions. If the retention period were shortened, consumers who sue under the EFTA, and the administrative agencies that enforce the EFTA, might find that the records needed to prove EFTA violations no longer exist.

As noted, the current disclosure requirements are needed to foster informed EFT, gift card, and remittance transfer decision making and to identify errors and unauthorized transfers. Without these requirements, consumers would not have access to this critical information, their right to sue under the EFTA would be undermined, and the CFPB and other administrative agencies charged with enforcing the EFTA could not fulfill their mandates.

7. Circumstances Requiring Special Information Collection

The collections of information in Regulation E are consistent with the applicable guidelines contained in 5 CFR 1320.5(d)(2).

8. Consultation Outside the Agency

Before Regulation E was adopted and prior to each amendment, the Board published the regulation for public comment in the *Federal Register*, giving the public the opportunity to comment on the recordkeeping and disclosure requirements associated with the rule.

On November 30, 2011, OMB granted emergency approval for the CFPB's information collections under Regulation E. Prior to receiving emergency approval, the CFPB consulted with the Federal Trade Commission (FTC) with respect to burden allocations. Due to time constraints, the CFPB was unable to obtain public input prior to receiving emergency approval; however, the CFPB has submitted for publication in the *Federal Register* a 60 day request for public comment as part of the standard approval process.

On May 23, 2011, the Board published a notice of proposed rulemaking in the *Federal Register* for public comment (76 FR 29902). The proposal contained new protections for consumers who send remittance transfers to other consumers or entities in a foreign country by providing senders with disclosures and error resolution and cancellation rights and implemented other statutory requirements set forth in the Dodd-Frank Act. In accordance with 5 CFR part 1320 Appendix A.1, the Board reviewed the rule under the authority delegated to it by OMB and requested public comment on 1) whether the proposed collection of information is necessary for the proper performance of the Board's functions, including whether the information has practical utility; 2) the accuracy of the Board's estimate of the burden of the proposed information collection, including the cost of compliance; 3) ways to enhance the quality, utility, and clarity of the information to be collected; and 4) ways to minimize the burden of information collection on respondents, including through the use of automated collection techniques or other forms of information technology. The Board's supporting statement can be found at http://www.federalreserve.gov/reportforms/formsreview/RegE_20110803_omb.pdf.

The Bureau received comments arguing that the compliance burden generally was underestimated and suggesting changes to the terminology and formatting of the model forms. However, the Bureau received only one comment letter specifically proposing alternative estimate hours, as discussed below.

One commenter claimed that the one-time burden associated with compliance could be as much as 1000 hours (25 business weeks) for credit unions, in particular. The Bureau estimates that the 155 large depository institutions and credit unions (including their depository and credit union affiliates) supervised by the Bureau would take, on average, 120 hours (three business weeks) to update their systems to comply with the disclosure requirements. This one-time revision would increase the burden by 18,600 hours. Although the Bureau understands that the number of hours required to update systems may vary, the Bureau's estimate of the one-time burden increase is based on the average hours the 155 respondents supervised by the Bureau would take to comply with the rule. Therefore, the Bureau believes its estimate of the one-time revision is appropriate.

With respect to ongoing burden, the commenter estimated that the ongoing burden for credit unions in particular would take, on average, 15 hours (monthly) to address notices of error. The Board estimated that 1,133 respondents supervised by the Board would take, on average, 1.5 hours (monthly) to address a sender's notice of error as required by § 1005.33(c)(1). Based on the comment received and upon consideration, the Bureau estimates that the 155 large depository institutions and credit unions (including their depository and credit union affiliates) supervised by the Bureau will take, on average, approximately 12 hours (monthly) to address a sender's notice of error as required by § 1005.33(c)(1). This would increase the ongoing burden by approximately 21,875 hours. Although the Bureau understands that the number of hours required to address notices of error may vary, the Bureau's estimate of the ongoing burden is based on the average hours that the 155 respondents supervised by the Bureau would take to comply with the rule. Therefore, the Bureau believes its estimate of the ongoing burden for addressing notices of error is appropriate.

Terminology and Formatting of Model Forms

The CFPB also received suggested changes to the terminology used and the formatting of the model forms. For example, consumer group commenters believed that the amount of the cost of the transaction expressed as "Total" in the proposal should be labeled in bold as "Total cost to you of this transfer" and that "Total to recipient" should be labeled in bold as "Total amount recipient should receive." The commenters also believed the term "Total Amount" was too generic and instead should be "Amount Transferred." An industry commenter believed that fees and taxes charged by entities other than the remittance transfer provided should labeled as "Receive" or "Payout" fees and taxes, rather than "Other" fees and taxes.

The Bureau believes that the proposed terms sufficiently describe the amounts disclosed on the model forms. The proposed terms were used in consumer testing, and nearly all participants understood the amounts that were disclosed. Moreover, the Bureau believes that requiring bolding or similar font requirements could pose compliance difficulties for remittance transfer providers that print the disclosures on a register or other printing device that does not permit such font changes, and participants in consumer testing did not have difficulty finding this information on the forms. Thus, the Bureau is adopting the terms and format as proposed.

Consumer group commenters asserted that the content of the long form error resolution and cancellation notice in Model Form A-36 was misleading and not consumer friendly. The commenters provided edits to the disclosure that the commenter believed would be more helpful to a sender. The long form error resolution and cancellation disclosure is based on the model form for error resolution in Regulation E. *See* 31 CFR Part 1005, Appendix A to Part 1005, Form A–3. The Bureau believes that

any changes to this model form should be made in conjunction with the corresponding changes to existing Regulation E model forms and that such changes should be subject to consumer testing. Therefore, the Bureau is adopting the content of Model Form A-36 as proposed.

Other commenters suggested substantive changes that, if adopted, would result in changes to the model forms. For example, some industry commenters suggested that the Bureau eliminate the requirement to disclose fees and taxes charged by a person other than the remittance transfer provider and that the model forms should instead indicate generally that other fees and charges may apply. Similarly, industry commenters suggested the exchange rate and funds availability date should be permitted to be estimated and, therefore, the model forms should state that these disclosures are subject to change. The Bureau is not adopting these substantive changes in the final rule. Consequently, the Bureau is not adopting the corresponding changes to the model forms.

Finally, a consumer advocate suggested that a fraud warning should be added to the model forms. Such a warning is not required in the statute, and the Bureau believes that the disclosures should be limited to information relating to cost, error resolution, and cancellation. Adding more information and warnings to forms could overwhelm a sender and result in the sender not reading any of the information on the form. Therefore, the Bureau is not adding such a fraud warning to the model disclosures.

The Bureau is, however, making some changes to the proposed model forms. First, the Bureau is requiring that fees and taxes must be disclosed separately. *See* comment 31(b)(1)-1. As such, the model forms have been amended to demonstrate how a remittance transfer provider would disclose fees separately from taxes. Second, the final rule provides that a sender may cancel a transaction within thirty minutes of making payment, rather than within one business day, as proposed, and the model forms have been amended to reflect this change.

The Bureau is also making additional changes to Model Form A-37 in the final rule. The Bureau is removing sample phone number, website, and remittance transfer company name that was included in the proposed form. Unlike the model pre-payment disclosures, receipts, and combined disclosures, sample information is not necessary to demonstrate how the short form error resolution and cancellation disclosures should be completed. Thus, in the final rule, Model Form A-37 includes brackets indicating where this information should be entered by a provider. The forward slash used in the proposal to indicate that funds may be picked up or deposited is also replaced with the word "or." The Bureau is also amending the abbreviated statement about senders' error resolution rights on Model Form A-37 to include a more explicit statement informing senders that they have such rights.

The Bureau is also making minor technical changes in some of the model forms in the final rule for clarity. Plus signs are added to some forms to indicate where fees and taxes will be added to a transfer amount to better demonstrate the calculation of the total amount paid by the sender. The internet address for the sample state regulatory agency is also amended on some forms with the suffix ".gov" rather than ".com." The toll-free telephone numbers for the Bureau have also been added to some forms.

As discussed above, Model Forms A-38 through A-41 may be used when disclosures are required to be disclosed in Spanish, pursuant to the requirements in § 1005.31(g). The Board proposed model disclosures in Spanish to facilitate compliance with this foreign language requirement and requested comment on the disclosures. One commenter submitted spelling, grammar and verb tense revisions to

the Spanish language disclosures. The commenter believed the Spanish language disclosures, as proposed, did not adequately communicate the intent of the language used in the English disclosures. Certain commenter-suggested revisions have been made in Model Forms A-38 through A-41 to correct inaccuracies in the proposed Spanish language disclosures. However, in other instances, the suggested revisions have not been made. Although the proposed language and the commenter-suggested revisions reflected stylistic variations, both contained accurate translations of the English language model forms. Therefore, the technical corrections are included in Model Forms A-38 through A-41 in the final rule. The Bureau also made stylistic changes to the Spanish language model forms that it believes better tracks the language in the English language disclosures.

9. Payments or Gifts to Respondents

Not applicable.

10. Assurances of Confidentiality

The required recordkeeping and disclosures contain private financial information about consumers who use EFT services. Such information 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 CFPB would be covered by the protections of 12 CFR 1070.40 *et seq.*,Section 1022(c) of the Dodd-Frank Act, and by the exemptions of the Freedom of Information Act, 5 U.S.C. 552(b), as applicable.

11. Justification for Sensitive Questions

This information collection contains no questions of a sensitive nature, as defined by OMB guidelines.

12. Estimated Burden of Information Collection

Hours: 4,003,000.

Associated Labor Costs: $118,568,860.

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.

Prior to the passage of the Dodd-Frank Act, the ongoing recordkeeping and disclosure burdens for Regulation E allocated to the prudential regulators and the FTC were approximately 5,596,000 hours.[1] In

[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 FTC concerning the number of entities subject to Regulation E and the hours of paperwork burden under the statute (for a detailed breakdown of the burden estimates of the prudential regulators and the FTC, please reference the other agencies' supporting statements for Regulation E, 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

light of the changes made by the Dodd-Frank Act, roughly 1,904,000 hours of that burden was reallocated to the CFPB. Specifically, CPPB was allocated burden for depository institutions with total assets of more than $10 billion and their depository affiliates for which the CFPB now has primary enforcement authority with respect to Regulation E. The CFPB was also allocated half of the FTC burden amount after subtracting the burden which the FTC has attributed to itself for motor vehicle dealers.[2] The total hours reported above is the sum of 1,904,000 hours and the one-time and annual ongoing burden estimates reported below.

One-Time Burden:

The Bureau estimates that the 155 large depository institutions and credit unions (including their depository and credit union affiliates) supervised by the Bureau would take, on average, 120 hours (three business weeks) to update their systems to comply with the disclosure requirements addressed in § 1005.31. This one-time revision would increase the burden by 18,600 hours. These respondents would take, on average, 40 hours (one business week) to develop written policies and procedures designed to ensure compliance with respect to the error resolution requirements applicable to remittance transfers under § 1005.33. This one-time revision would increase the burden by 6,200 hours. These respondents would take, on average, 40 hours (one business week) to establish policies and procedures for agent compliance as addressed under § 1005.35. This one-time revision would increase the burden by 6,200 hours. In summary, the rule would impose a one-time increase in the estimated annual burden on the 155 by the Bureau of 31,000 hours.

Other Federal agencies are responsible for estimating and reporting to OMB the total paperwork burden for the institutions over which they have administrative enforcement authority under this rule. They may, but are not required to, use the following Bureau estimates. The Bureau estimates that the 11,000 insured depositories and credit unions not supervised by the Bureau[3] would take, on average, 120 hours (three business weeks) to update their systems to comply with the disclosure requirements addressed in § 1005.31. This one-time revision would increase the burden by 1,320,000 hours. These 11,000 institutions would take, on average, 40 hours (one business week) to develop written policies and procedures designed to ensure compliance with respect to the error resolution requirements applicable to remittance transfers under § 1005.33. This one-time revision would increase the burden by 440,000 hours. These 11,000 institutions would take, on average, 40 hours (one business week) to establish policies and procedures for agent compliance as addressed under § 1005.35. This one-time revision would increase the burden by 440,000 hours. In summary, the rule would impose a one-time increase in the estimated annual burden on the 11,000 insured depositories and credit unions not supervised by the Bureau of 2,200,000 hours.

The Bureau estimates that the rule would impose a one-time annual burden on 6,000 nondepository money transmitters (500 networks and 5,500 agents) of 200 hours. This one-time revision would increase the burden by 1,200,000 hours. The Bureau has allocated itself 600,000 hours from this total.

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more detailed estimates in its follow-up application to OMB for a standard approval of this information collection.

[2]The Dodd-Frank Act exempts certain motor vehicle dealers from CFPB's enforcement authority. However, due to the difficulty of making a reliable estimate of those dealers, the FTC has attributed to itself the PRA burden for all motor vehicle dealers. This attribution does not change actual enforcement authority.

[3] The Bureau does, however, have certain supervisory authorities regarding these institutions under section 1026 of the Dodd-Frank Act.

The total one-time burden allocated to the Bureau is therefore 631,000 hours.[4]

Ongoing Burden

On a continuing basis, the Bureau estimates that the 155 large depository institutions and credit unions (including their depository and credit union affiliates) supervised by the Bureau would take, on average, approximately 8 hours (one business day) monthly to maintain their systems to comply with the disclosure requirements under § 1005.31. This would increase the ongoing annual burden by 14,880 hours. The Bureau estimates on average 262,500 consumers would spend 5 minutes in order to provide a notice of error as required under section 1005.33(b). The Bureau estimates that 155 respondents supervised by the Bureau would take, on average, approximately 12 hours (monthly) to address a sender's notice of error as required by § 1005.33(c)(1). This would increase the ongoing burden by 21,875 hours as well. The Bureau estimates that the 155 respondents would take, on average, 8 hours (one business day) annually to maintain written policies and procedures designed to ensure compliance with respect to the error resolution requirements applicable to remittance transfers under § 1005.33. This would increase the ongoing burden by 1,240 hours. These respondents would take, on average, 8 hours (one business day) annually to maintain policies and procedures for agent compliance under § 1005.35. This would increase the ongoing burden by 1,240 hours. In summary, the rule would increase the estimated ongoing annual burden on the 155 respondents supervised by the Bureau by approximately 61,000 hours.

Other Federal agencies are responsible for estimating and reporting to OMB the total paperwork burden for the institutions over which they have administrative enforcement authority under this rule. They may, but are not required to, use the following Bureau estimates. On a continuing basis, the Bureau estimates that the 11,000 insured depositories and credit unions not supervised by the Bureau would take, on average, approximately 8 hours (one business day) monthly to maintain their systems to comply with the disclosure requirements under § 1005.31. This would increase the ongoing annual burden by 1,056,000 hours. The Bureau estimates on average 875,000 consumers would spend 5 minutes in order to provide a notice of error as required under section 1005.33(b). This would increase the ongoing burden by approximately 73,000 hours. The Bureau estimates that the 11,000 insured depositories and credit unions not supervised by the Bureau would take, on average, 73,000 hours annually to address a sender's notice of error as required by § 1005.33(c)(1). The Bureau estimates that these institutions would take, on average, 8 hours (one business day) annually to maintain written policies and procedures designed to ensure compliance with respect to the error resolution requirements applicable to remittance transfers under § 1005.33. This would increase the ongoing burden by 88,000 hours. These institutions would take, on average, 8 hours (one business day) annually to maintain policies and procedures for agent compliance under § 1005.35. This would increase the ongoing burden by 88,000 hours. In summary, the rule would increase the estimated ongoing annual burden on the 11,000 insured depositories and credit unions not supervised by the Bureau by approximately 1,378,000 hours.

The Bureau estimates that the rule would impose an ongoing annual burden on 67,000 nondepository money transmitters of 42 hours. This would increase the ongoing annual burden by 2,814,000 hours. The Bureau has allocated itself 1,407,000 hours from this total.

[4] 31,000+600,000 hours.

The total ongoing annual burden allocated to the Bureau is therefore 1,468,000 hours.[5]

13. Estimated Total Annual Non-Labor / Capital Cost Burden to Respondents or Recordkeepers

None.

14. Estimated Cost to the Federal Government

As the CFPB does not typically collect any information, the cost to the CFPB is negligible.

15. Program Changes or Adjustments

The Board estimated that the proposed rule would increase the total annual burden of Regulation E by approximately 9.8 million hours. This consists of approximately 7.8 million hours of one-time burden and 2 million hours of ongoing annual burden. The Bureau estimates that the proposed rule would increase the total annual burden of Regulation E by approximately 7.7 million hours. This consists of approximately 3.4 million hours of one-time burden and 4.3 million hours of ongoing burden.

Regarding the difference in the total annual burden: the Board assumed 19,000 "depository institutions" would be covered by the rule. The Bureau assumes there are approximately 7,445 insured depository institutions and 7,325 insured credit unions and approximately half of the latter (3,662) send consumer international wire transfer. The difference between 19,000 and 11,000 (approximately 7,445+3,662) in the Bureau's calculations accounts in large part for the difference in the totals.

Regarding the increase in ongoing annual burden relative to one-time burden: the Board assumed 19,000 money transmitters would incur both one-time burden and ongoing annual burden. The Board obtained this estimate from FinCEN. In response to comments on the Board's estimates and review of the FinCEN data, the Bureau developed different estimates using research conducted by KPMG and the World Bank.[6] Using this research, the Bureau estimates that 6,000 money transmitters would incur one-time burden and 67,000 would incur ongoing burden. The far larger number of entities experiencing ongoing annual burden and far smaller number of entities experiencing one-time burden accounts for the increase in ongoing annual burden relative to one-time burden.

16. Plans for Tabulation, Statistical Analysis, and Publication

Not applicable.

17. Display of Expiration Date

Not applicable.

18. Exceptions to the Certification Requirement

None.

[5] 61,000+1,407,000 hours.
[6] For further details, see the discussion in **Section VIII. Final Regulatory Flexibility Analysis** of the final rule.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.