

**Supporting Statement for
Real Estate Lending and Appraisals
OMB Control No. 1557-0190**

A. Justification

1. Circumstances that make the collection necessary:

Twelve CFR Parts 34 and 160 contain a number of reporting and recordkeeping requirements. Twelve CFR Part 34, Subpart B (Adjustable-Rate Mortgages (ARM)), Subpart E (Other Real Estate Owned (OREO)), and Part 160 contain reporting requirements. Twelve CFR Part 34, Subpart C (Appraisal Requirements), Subpart D (Real Estate Lending Standards), and Parts 160 and 164 contain recordkeeping requirements.

Twelve CFR Part 34, Subpart B, § 34.22(a) requires that for ARM loans, the loan documentation must specify an index or combination of indices to which changes in the interest rate will be linked. Sections 34.22(b) and 160.35(d)(3) provide notice procedures to be used when seeking to use an alternative index.

Twelve CFR 34.44 and 164.4 provide minimum standards for the performance of real estate appraisals, including the requirement that appraisals be written and contain sufficient information and analysis to support the institution's decision to engage in the transaction.

Twelve CFR 34.62, 160.101 and the related appendices require each institution to adopt and maintain written policies that establish appropriate limits and standards for extensions of credit that are secured by liens on or interests in real estate, or that are made for the purpose of financing permanent improvements to real estate. Real estate lending policies must be reviewed and approved by the institution's board of directors at least annually.

Twelve CFR 34.84 requires that, after holding any real estate acquired for future bank expansion for one year, a national bank must state, by resolution or other official action, its plans for the use of the property and make the resolution or other action available for inspection by examiners. Sections 34.85 and 160.172 require that national banks and savings associations develop a prudent real estate collateral evaluation policy to monitor the value of each parcel of OREO in a manner consistent with prudent banking practice. Section 34.86 requires that national banks notify the appropriate supervisory office at least 30 days before making advances under a development or improvement plan for OREO if the total investment in the property will exceed 10 percent of the bank's capital and surplus.

Twelve CFR 190.4(h) requires that for Federally-related residential manufactured housing loans, a creditor must provide a debtor a notice of default 30 days prior to repossession, foreclosure, or acceleration and sets forth language that must be included in such notice.

2. Use of the information:

These regulations are required by statute and are used by the OCC to ensure the safe and sound operation of financial institutions.

3. Consideration of the use of improved information technology:

Institutions may adopt any existing technology relevant to the information, as long as the information is retrievable for examination use.

4. Efforts to identify duplication:

These are requirements that are unique to each institution. The information is not compiled for any other reason, and no duplicate information exists.

5. Methods used to minimize burden if the collection has a significant impact on substantial number of small entities:

This rule imposes on institutions, regardless of size, only the minimum burden necessary to fulfill statutory requirements, to ensure safe and sound operation, and to minimize risk to the deposit insurance fund.

6. Consequences to the Federal program if the collection were conducted less frequently:

The collection of information is the minimum necessary to comply with Federal law. Less frequent collection would make the program unworkable and would not be in the public interest.

7. Special circumstances necessitating collection inconsistent with 5 CFR Part 1320:

This collection is conducted in a manner consistent with the guidelines in 5 CFR 1320.6.

8. Efforts to consult with persons outside the agency:

The OCC published a *Federal Register* notice regarding this renewal of information collection on June 10, 2013 (78 FR 34704). No comments were received.

9. Payment to respondents:

None.

10. Any assurance of confidentiality:

No assurance of confidentiality is given.

11. Justification for questions of a sensitive nature:

There are no questions of a sensitive nature.

12. Burden estimate:

Requirement	Citations	Number of Respondents	Burden Hours Per Respondent	Total Number Of Hours Annually
<i>Recordkeeping:</i> ARM loan documentation must specify indices to which changes in the interest rate will be linked	§34.22(a)	182 NBs	6	1,092
<i>Reporting:</i> Procedure to be followed when seeking to use an alternative index	§34.22(b); §160.35(d)(3)	182 NBs 85 FSAs	6	1,602
<i>Recordkeeping: (Summarize entire 34.4)</i> Appraisals must be written and contain sufficient information and analysis to support engaging in the transaction	§34.44 §164.4	1,276 NBs 532 FSAs	35	63,280
<i>Recordkeeping:</i> Maintain written policies (reviewed annually) for extensions of credit secured by or used to improve real estate	§34.62; appendix A to subpart D to part 34; §160.101; appendix A to § 160.101	1,276 NBs 532 FSAs	30	54,240
<i>Recordkeeping:</i> Resolution stating plans for use of property	§34.84	7 NBs	5	35
<i>Recordkeeping:</i> Real estate evaluation policy to monitor OREO	§34.85 §160.172	7 NBs 3 FSAs	5	50
<i>Reporting:</i> Prior notification of making advances under development or improvement plan for OREO	§34.86	7 NBs	5	35
<i>Disclosure:</i> Creditor provides default notice to debtor before repossession, foreclosure, or acceleration	§190.4(h)	47 FSAs	2	94
TOTALS		1,276 NBs 532 FSAs		120,428

13. Estimates of annualized costs to respondents:

Not applicable.

14. Estimate of annualized costs to the government:

Not applicable.

15. Changes in Burden:

Total difference in
burden:

Former Burden: 2,381 Respondents; 360,585 Burden Hours

New Burden: 1,808 Respondents; 120,428 Burden Hours

Change: -573 Respondents; -240,157 Burden Hours

The decrease in burden is due to the decrease in number of national banks and Federal savings associations and the removal of OTS regulatory provisions (that were previously part of this collection) pursuant to the integration of OTS into the OCC.¹

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

Not applicable. 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.

¹ 12 CFR 163.41(e), 160.93(f)(2), and 160.210.