

**Supporting Statement for
OMB Control No. 1557-0246
Reverse Mortgage Products – Guidance for
Managing Reputation Risks**

A. Justification.

1. Circumstances that make the collection necessary:

On December 16, 2009, the OCC, FDIC, FRB and NCUA sought comment on the guidance,¹ and they issued it in final form on August 17, 2010.² The guidance focused on the need to provide adequate information to consumers about reverse mortgage products; to provide qualified independent counseling to consumers considering these products; and to avoid potential conflicts of interest. It also addressed related policies, procedures, internal controls, and third party risk management.

2. Use of the information:

The information collection requirements contained in the guidance include implementation of policies and procedures, training, and program maintenance:

- Institutions offering reverse mortgages should have written policies and procedures that prohibit the practice of directing a consumer to a particular counseling agency or contacting a counselor on the consumer's behalf.
- Policies should be clear so that originators do not have an inappropriate incentive to sell other products that appear linked to the granting of a mortgage.
- Legal and compliance reviews should include oversight of compensation programs so that lending personnel are not improperly encouraged to direct consumers to particular products.
- Training should be designed so that relevant lending personnel are able to convey information to consumers about product terms and risks in a timely, accurate, and balanced manner.

3. Consideration of the use of improved information technology: Institutions may use any means of improved information technology that meets the requirements of the guidance.

4. Efforts to identify duplication:

The information required is not otherwise available.

1 74 FR 66652.

2 75 FR 50801.

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

This information collection does not have a significant impact on a significant number of small entities.

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

The compliance and reputation risks raised by reverse mortgage lending would go unchecked.

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

Not applicable. This information is collected 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 on June 26, 2013 (78 FR 38450) regarding this information collection. No comments were received.

9. Payment to respondents:

Not applicable. There is no payment to respondents.

10. Any assurance of confidentiality:

No assurance of confidentiality is provided.

11. Justification for questions of a sensitive nature:

No sensitive questions are asked.

12. Burden estimate:

Number of respondents: 97.

Burden per respondent:

40 hours to implement policies and procedures and to provide training.
8 hours annually to maintain program.

Total estimated annual burden: 4,656 hours.

13. Estimates of annualized costs to respondents:

Not applicable.

14. Estimate of annualized cost to the Federal Government:

Not applicable.

15. Change in burden:

Former Burden:

Number of Respondents: 557.

Total estimated annual burden: 4,656 hours.

Current Burden:

Number of Respondents: 97.

Total estimated annual burden: 4,656 hours.

Difference:

Number of Respondents: - 460.

The change in burden is a correction of the overstated burden estimated during the OTS integration.

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

Not applicable. This information will not be published for statistical use.

17. Display of expiration date:

Not applicable.

18. Exceptions to certification statement:

None.

B. Collections of Information Employing Statistical Methods.

Not applicable.