

SUPPORTING STATEMENT FOR PAPERWORK REDUCTION ACT SUBMISSIONS

3133-0166

**Data Collection and Reporting Requirements under 12 U.S.C. 2801-2810 and
12 CFR 1003 (Regulation C)**

2013

A. Justification

For a Collection of Information by the National Credit Union Administration:

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection.

The Home Mortgage Disclosure Act (HMDA), 12 USC 2801 et seq., requires each credit union operating in a metropolitan statistical area, making federally related loans, and having assets in excess of an amount established annually by the Consumer Financial Protection Bureau, to compile and report the number and total dollar amount of mortgage loans originated or purchased and the loan applications received each year. Section 304 of the HMDA requires credit unions to submit the data to the National Credit Union Administration (NCUA).

In 1975, the Board of Governors of the Federal Reserve System issued Regulation C, 12 CFR Part 203, to implement the provisions of the Home Mortgage Disclosure Act. On July 21, 2011, the rule-writing authority for Regulation C was transferred to the Consumer Financial Protection Bureau (CFPB). The CFPB recodified Regulation C at 12 CFR Part 1003.

2. Indicate how, by whom, how frequently, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

The information collected under the requirements of the above law and regulation is disclosed by credit unions, their members and the public. The information is also used to examine credit unions' track record in granting loans in compliance with the Equal Credit Opportunity Act and the Fair Housing Act.

NCUA uses the information to examine credit union compliance with the Equal Credit Opportunity Act and the Fair Housing Act. NCUA also uses the data to report credit union lending practices to Congress and the public. The Federal Financial Institutions Examination Council (FFIEC) compiles the data and makes it available to the public annually to carry out the purposes of HMDA.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

The Federal Reserve Board (FRB) collects, maintains, and manages the information on behalf of NCUA and other financial regulators. The FFIEC provides credit unions with HMDA Data Entry Software, which can be used to collect and submit the information. Credit unions may submit the information to the FRB via the internet, electronic mail, disk, or paper copy. (Paper copies are permissible only if the credit union has fewer than 25 reportable loans.)

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

This information is collected by one method only and is unique to each credit union. If duplicate reports are inadvertently submitted, the information database rejects the duplicate submission and issues an alert in the form of an error message to the respondent and the FRB system administrators.

5. If the collection of information impacts small businesses or other small entities (item 5 of OMB Form 83-I), describe any methods used to minimize burden.

Only credit unions with a home office or branch in a metropolitan statistical area and assets in excess of an established threshold that originate home purchase or home improvement loans are required to report. The asset threshold is adjustable and is set annually by the CFPB. The asset threshold for the 2013 reporting year is \$42 million. Credit unions with total assets under \$42 million as of December 31, 2012, are not required to collect, disclose, or report the information.

6. Describe the consequences to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

The Home Mortgage Disclosure Act requires the annual collection of the information. 12 U.S.C. 2803.

7. Explain any special circumstances that would cause an informational collection to be conducted in a manner:

- **requiring respondents to report information to the agency more often than quarterly;**

None.

- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**

The required information is collected on a flow basis throughout the year and must be submitted for the calendar year by the following March 1. See 12 CFR § 1003.5 (a).

- **requiring respondents to submit more than an original and two copies of any document;**

Credit unions are only required to submit one copy of the information.

- **requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**

Regulation C, 12 CFR § 1003.5(a), requires credit unions to retain a copy of the report for not less than three years.

- **in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;**

Not applicable.

- **requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**

Not applicable.

- **that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by the disclosure, and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**

Credit unions are required to make the data available to the public. 12 U.S.C. 2803; 12 CFR § 1003.5(c).

- **requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

Credit unions are not required to submit proprietary information or trade secrets. Information regarding the identity of loan applicants is not included in the information reported to the public.

8. Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

Notice of the proposed collection and a request for public comment were published in the Federal Register with a 60-day comment period on July 19, 2013 (78 FR 43228). No comments were received regarding this collection.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

No decision to provide any payment will be made to respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

None. Statute requires the information be made public. 12 U.S.C. 2803.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

Not applicable.

12. Provide estimates of hour burden of the collection of information. The statement should:

- **Indicate the number of respondents, frequency of response, annual hour burden, and explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.**
- **If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I.**
- **Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 14.**

There were 2,419 credit unions in the required reporting size category (i.e., with assets over \$42 million) as of December 31, 2012, but not all are required to compile, report, or disclose the information. Averaging the number of reports for calendar years 2011 and 2012, NCUA estimates the following burden hours and annualized cost:

Estimated number of respondents: 2,015
Frequency of response: Annually (Respondents may upload data quarterly, but final submissions are due once per year.)

2011 respondents:	2,023
2011 total reportable loans:	968,671
2012 respondents:	2,002
2012 total reportable loans:	1,316,369

Estimated reportable loans:	1,142,520
Time per reportable loan:	5 minutes
Total estimated annual hour burden:	95,210 hours
Estimated cost per hour:	\$15
Total estimated annualized cost:	\$1,428,150

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).

Not applicable.

14. Provide estimates of annualized cost to the Federal Government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.

The collection of this data saves NCUA an inestimable amount of time in its fair lending examination and supervision program. For 2013, NCUA's fair lending examination and supervision program accounts for 7,612 work hours provided by seven full time employees. NCUA contracts with the Federal Reserve Board to collect, maintain, and publish HMDA data for credit unions. NCUA's annual cost for this service is approximately \$492,000.

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.

Since the initial approval of the information collection, the number of credit unions involved in reportable mortgage lending has increased slightly from 1,996 credit unions to approximately 2,015 credit unions. The estimated cost of the information collection has been adjusted to reflect the cost of programmatic modifications associated with increased number of respondents and the use of technology. The estimated burden hours per reportable loan application associated with the collection has not changed.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

NCUA collects this information for use in its fair lending examination and supervision program and for the disclosure to the public. The Federal Financial Institutions Examination Council (FFIEC) publishes the information collected from credit unions, as well as all financial institutions. NCUA is a member of the FFIEC.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

NCUA is not seeking approval to not display the expiration date.

18. Explain each exception to the certification statement identified in Item 19, “Certification for Paperwork Reduction Act Submissions,” of OMB Form 83-I.

There are no exceptions to the certification statement.