

NATIONAL CREDIT UNION ADMINISTRATION
Supporting Statement for Paperwork Reduction Act Submission
OMB Control Number 3133-0068
12 C.F.R. §701.31
Nondiscrimination Requirements in Real Estate-Related Lending,
Appraisals and Advertising
August 2013

A. Justification

1. Circumstances that make the collection of information necessary:

Section 701.31 of NCUA's regulations implements requirements of the Fair Housing Act, 42 U.S.C. §3601 *et seq.* It requires Federal credit unions (FCUs) to maintain a copy of the real estate appraisal used to support an applicant's real estate-related loan application and to make it available to any requesting member/applicant for a period of 25 months. The regulation also requires FCUs that use the collateral's location as a factor in evaluating real estate-related loan applications to disclose such fact on the appraisal, along with a statement justifying its use. 12 C.F.R. §701.31.

2. By whom, how, and for what purpose the information is to be used:

The FCU's borrowers and NCUA use the information to determine whether the FCU discriminates against certain borrowers. The regulation insures compliance with the Fair Housing Act anti-redlining requirements.

3. Consideration of the use of improved information technology:

The FCU Act does not prescribe any particular form in which the collected information must be kept. Under NCUA regulations, FCUs may use any format, electronic or other, to maintain, search for, and produce responsive records. 12 C.F.R. §749.5. Therefore, to the degree that credit unions have available to them technology that would simplify retaining the necessary information, they may use it to reduce the burden imposed by the regulation.

4. Efforts to identify duplication:

The information collection (appraisal) is unique to each FCU and loan applicant and is not duplicated elsewhere.

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

The information collection does not have a significant impact on a substantial number of small credit unions. NCUA has reduced the burden for this collection to the minimum possible and in keeping with NCUA's supervisory responsibilities.

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

It is not possible to collect this information less frequently and remain in compliance with anti-discrimination statutes and regulations and sound business practices. The appraisal is only completed prior to closing most real estate loans.

7. Special circumstances necessitating collection inconsistent with 5 CFR §1320.5(d)(2):

Not applicable

8. Efforts to consult with persons outside the agency:

Notice of the proposed information collection was published with a 60-day comment period in the Federal Register on August 16, 2013 (78 FR 50116). NCUA did not receive any comments regarding the collection.

9. Explain any decision to provide any payment or gift to respondents:

NCUA will make no payments to credit unions for this collection of information.

10. Describe any assurance of confidentiality provided to respondents:

Credit unions will not provide real estate appraisals to NCUA. Credit unions will retain the information to prove compliance with nondiscrimination statutes and regulations. Therefore, this collection does not require any assurances of confidentiality.

11. Additional justification for any questions of a sensitive nature:

No questions of a sensitive nature are involved.

12. Estimates of hour and cost burdens of the collection of information:

The real property appraisal is an integral part of most real estate-related loan transactions. Should the appraisal use geographic factors in evaluating the collateral, the regulation requires that the factors be documented in the appraisal and the appraisal be retained in the loan file. The appraisal, documentation factors affecting the appraisal, and retention of the appraisal are all routinely included in most real estate loan transactions. Therefore, any additional cost in time for the credit union is minimal. NCUA estimates that the time required for this collection is 1 hour per year for each FCU. As of July 2, 2013, there were 4,220 FCUs that could make real estate-related loans.

1 hour X 4,220 respondents/recordkeepers = 4,220 total annual burden hours.

13. Estimates of annualized capital and start-up costs:

NCUA does not believe that FCUs will incur any additional operational costs as a result of the recordkeeping requirement.

14. Estimates of annualized cost to the Federal Government:

There are no costs to the Federal Government with this collection.

15. Explanation of change in burden:

This is a reinstatement of a previously approved collection. The change in hour burden from prior submission is attributable to a decrease in the number of FCUs.

16. Information collection data planned to be published for statistical use:

No data will be published for statistical purposes.

17. Explanation of seeking approval not to display the expiration date for OMB approval of the information collection:

Not applicable.

18. Exception to the certification statement:

NCUA does not request an exception to the certification of this information collection.

B. Collections of Information Employing Statistical Methods.

This collection does not employ statistical methods.