

**Consumer Financial Protection Bureau  
 Non-Material Change Request  
 Interstate Land Sales Full Disclosure Act (Regulations J, K, and L)  
 (OMB Control Number: 3170-0012)**

The Consumer Financial Protection Bureau (CFPB) submits this memorandum to provide justification for a proposed non-material change that will allow for the voluntary online registration and compliance associated with information collection 3170-0012, Interstate Land Sales Full Disclosure Act (Regulations J, K, and L). Previously, the information was collected by the Department of Housing and Urban Development (HUD) under OMB control number 2502-0243. Section 1098 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), Public Law 111-203, transferred the authority to administer the associated information collections from HUD to the CFPB on July 21, 2011.

HUD did not strictly enforce their registration regulations during the 40 years that they supervised the program nor did they undertake any rulemaking to acknowledge technological changes in business practices. For example, sometime in the 1980's, HUD began allowing submissions to be prepared by word processing instead of typewriters (as required) and stopped strictly enforcing font requirements. By the late 1990's, HUD also began allowing and encouraging file submissions by means other than paper submissions, such as electronic media like compact discs and .pdf files and also began scanning documents as they arrived. In short, providing for voluntary online registration would be well within the regulatory tenor of the program established by HUD. Those who are required to provide this information may still use the traditional paper registration process. Further, while more efficient, the online registration collects the same information as the paper registration process.

Following the transfer, the Office of Supervision undertook a study of the ILSA registration review process to determine whether the process, as it existed at HUD, could be updated to promote greater efficiency and transparency at CFPB. As a consequence of this study, CFPB is now moving forward with developing and procuring a case management system that will automate the registration and compliance process by allowing developers to submit registration and compliance documentation online. The SMART ("Self-Managed Automated Registration Technology") Project should substantially decrease industry compliance costs, provide far greater transparency and utility to the public, as well as provide significant efficiencies for developers, consumers and the staff at CFPB.

We have internally examined the burden associated with a voluntary online registration process as well as queried previous HUD experts and numerous stakeholders who may be impacted by the change, and it is our conclusion that the current total annual burden hours and burden costs will likely be reduced by approximately 50%. The current average response of approximately 40 minutes is projected to be reduced to less than 20 minutes.

	<b>Current Inventory</b>	<b>New Inventory</b>	<b>Program Change</b>
Burden Hours	34,656	17,329	(17,327)
Cost Burden	\$1,868,562	\$934,282	(\$934,280)

The information that you provide will be used by the Consumer Financial Protection Bureau regarding the promotion or sales of offerings of 25 or more lots offered by any means or instruments of interstate commerce in compliance with Interstate Land Sales Full Disclosure Act, Public Law 90-448, codified at 15 U.S.C. 1701 et seq.

Identifying information will be used by and disclosed to employees, contractors, agents, and others authorized to receive this information to assist in related activities. The information may also be disclosed:

- to a court, magistrate, or administrative tribunal in the course of a proceeding;
- for enforcement, statutory, and regulatory purposes;
- to another federal or state agency or regulatory authority;
- to a member of Congress; to the Department of Justice, a court, an adjudicative body or administrative tribunal, or a party in litigation; and
- pursuant to the CFPB's published Privacy Act system of records notice, CFPB.012-Interstate Land Sales Registration Files, 76 F.R. 77470.

The collection of this information is authorized by the Interstate Land Sales Full Disclosure Act, 15 U.S.C. 1701, and the Dodd-Frank Wall Street Reform and Consumer Protection Act, Public Law 111-203, Title X, 1601(b)(7).

You are not required to submit the requested information or provide any other identifying information. However, if you do not provide the requested identifying information, the Consumer Financial Protection Bureau may not be able to take action on your request.