

SUPPORTING STATEMENT
RECORDKEEPING AND DISCLOSURE REQUIREMENTS
IN CONNECTION WITH REGULATION B
(OMB No. 3064-0085)

INTRODUCTION

The Federal Deposit Insurance Corporation (“FDIC”) is requesting OMB approval to extend the information collection previously approved as 3064-0085. The current clearance for the collection expires on August 31, 2014.

A. Justification

1. Circumstances and Need

The requirements for this collection are contained in Regulation B – Equal Credit Opportunity, 12 C.F.R. Part 202, issued by the Board of Governors of the Federal Reserve System (“FRB”). Regulation B implements the Equal Credit Opportunity Act (“ECOA”), 15 U.S.C. §§ 1691 et seq. Section 1691(b) of ECOA designates the FRB as the issuer of the implementing regulations, and section 1691(c) designates the FDIC as having enforcement responsibilities in the case of state nonmember banks.

2. Use of Information Collected

ECOA and Regulation B prohibit discrimination in any aspect of a credit transaction because of race, color, religion, national origin, sex, marital status, age, receipt of public assistance, or having exercised a right under the Consumer Credit Protection Act. To aid in implementation of this prohibition, the statute and regulation also subject creditors to various mandatory disclosure requirements, notification provisions, credit history reporting, monitoring rules, and recordkeeping requirements. These requirements are triggered by specific events and disclosures must be provided within the time periods established by ECOA and the regulation. There are no mandatory reporting forms.

3. Use of Technology to Reduce Burden

Institutions may provide electronic disclosures consistent with the Electronic Signatures in Global and National Commerce Act, 15 U.S.C. §§ 7001 et seq., and § 202.16 of Regulation B.

4. Efforts to Identify Duplication

No other federal law mandates the Regulation B disclosures, although the Fair Credit Reporting Act requires related, but different, disclosures on some of the same circumstances. Some states may have similar requirements.

5. Minimizing the Burden on Small Businesses

ECOA and Regulation B apply to all types of creditors. Regulation B provides model forms to ease the compliance burden. Creditors that receive fewer than 150 consumer credit applications per year may provide oral notice (instead of written) to applicants about the action taken on their application.

6. Consequence of Less Frequent Collections

Regulation B information collection requirements are triggered by certain events. Disclosures must be provided to applicants within prescribed times and records must be retained for specified periods.

7. Special Circumstances

None.

8. Consultation with Persons Outside the FDIC

A “first” Federal Register notice seeking comment was published on March 31, 2014 (79 FR 18027). No comments were received.

9. Payment or Gift to Respondents

None.

10. Confidentiality

As no information is collected, no issue of confidentiality arises.

11. Questions of a Sensitive Nature

Applicants for mortgage loans are asked to voluntarily provide information on age, sex, race, ethnicity, and marital status so that regulators may monitor for compliance with the law. It is at the option of the applicant to provide this information and if they do not the creditor must, to the extent possible, note the ethnicity, race and sex of the applicant(s) by visual observation or surname.

12. Estimates of Annualized Hour Burden and Associated Cost¹

¹ Consistent with the FRB’s analysis, the figures below are estimates of averages. The annual frequency estimates are based on FRB estimates. The frequencies of different kinds of disclosures can vary according to the number of applications denied or accounts terminated by a creditor; the number of accounts maintained by the

Burden Estimate	Number of respondents	Annual Frequency	Response Time	Annual Burden Hours
Notice of Action	4,398	1,715	2.5 minutes	312,988
Credit Reporting History	4,398	850	2.0 minutes	124,100
Monitoring Data	4,398	360	0.5 minutes	13,140
<i>Appraisal:</i> Appraisal Report Upon Request	4,398	190	5.0 minutes	69,350
Notice of Right to Appraisal	4,398	1,650	0.25 minutes	30,113
<i>Self-Testing:</i> Recordkeeping of Test	1,100	1	2 hours	2,200
Recordkeeping of Corrective Action	275	1	8 hours	2,200
Disclosure for Optional Self-test	1,100	2,500	1 minute	45,833
Total				602,389

Estimated annual cost to FDIC supervised institutions (at \$20 hourly cost) is \$12,047,780

13. Capital/Start-up and Operation/Maintenance Cost

None.

14. Cost to Government

Since the FDIC does not collect any information, the cost to the FDIC is negligible.

15. Reason for Change in Burden

There is no change in burden.

16. Publication

There is no publication of the information reported.

17. Display of Expiration Dates

Not applicable to these disclosures.

18. Exceptions to Certification

None.

creditor, the level of a creditor's credit reporting, and the level of a creditor's mortgage lending activity.

B. STATISTICAL METHODS

Not applicable.