

Office of the Comptroller of the Currency
Supporting Statement
Domestic First Lien Residential Mortgage Data
OMB Control No. 1557-NEW

A. Justification

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

Comprehensive mortgage data is vital to assessing and monitoring credit quality and loss mitigation activities in the residential mortgage market and the federal banking system. This data is important and necessary to support supervisory activities to ensure the safety and soundness of the federal banking system.

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

This data collection would include monthly first lien real estate mortgage loan-level data and include origination and servicing information. The reported data items would include: loan number; loan, line and appraisal amounts; loan documentation information; loan-to-value- and debt-to-income ratios; bankruptcy or foreclosure status; and other detailed loan information. In order to match senior and junior lien residential mortgages on the same collateral, the OCC also would collect additional information on the residential mortgage loans reported in Domestic First Lien Residential Mortgage and the Domestic Residential Home Equity Lending datasets. This data would include: property and mailing address, census tract, liquidation status, and original lien position. By matching the senior and junior liens by property ID, the OCC would gain better insight into the level of risk of both credit types. The data is subject to the data aggregator's Customer Information Security Program to ensure its confidentiality. The security program has the following objectives:

- ensure the security and confidentiality of data;
- protect against anticipated threats or hazards to the security or integrity of information; and
- protect against unauthorized access to or use of data that could result in substantial harm or inconvenience to any customer.

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. Describe any consideration of using information technology to reduce burden.

The collection of information will be available electronically. Any improved information technology may be used to meet the requirements of this collection.

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 of this Supporting Statement.

The OCC has an information sharing agreement with the Board of Governors of the Federal Reserve System (FRB) covering any sharing of information from their domestic first lien residential mortgage data collection.¹ FRB accesses account-level data from 61 respondents, including nine financial institutions, for first-lien residential mortgage data.

5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.

Not applicable.

6. Describe the consequence 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.

Less frequent notice would substantially impair the effectiveness of the program.

7. Explain any special circumstances necessitating collection inconsistent with 5 CFR 1320.5(d)(2).

None. The information collection is conducted in accordance with OMB guidelines in 5 CFR 1320.5(d)(2).

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 and on the data elements to be recorded, disclosed, or reported. Include citations to any relevant Federal Register notices, summarize any comments received, and indicate any actions taken in response to comments.

The OCC published a notice regarding this collection on September 5, 2014, for 60 days of comment (79 FR 53103). The OCC received two comments regarding the collection, one from an industry trade association and one from an individual.

The industry trade association acknowledged that, while the notice provided a general description of the data requested, it did not include specific data templates. In addition, it was not clear to the commenter which national banks would be subject to the data collection, the timeframe for submission, and the effective date of the collection. The commenter stated that, absent these details, members of the trade group are unable to provide input on the utility and burden of the collection. The commenter also suggested that the data collection might duplicate

¹ “Memorandum of Understanding Among the Board of Governors of the Federal Reserve System and the the Office of the Comptroller of the Currency Regarding the Collection and Sharing of Supervisory Data,” March 1, 2013.

data that banking organizations already are providing to the Federal Reserve Board (FRB) in connection with the FR Y-14 reporting requirements and pointed out that the potential for duplication is especially relevant to national banks that are the dominant subsidiary in a holding company structure. The commenter recommended coordination of the data collection with the FRB to minimize duplicative or divergent reporting requirements. The commenter suggested that the OCC consider accepting data currently submitted to the FRB in connection with the FR Y-14 in satisfaction of the data collection or work with the FRB to establish a single set of data with identical file layouts and definitions. The commenter suggested, as an alternative, having the FRB add data elements to the FR Y-14 that designate whether a loan is part of the bank or a non-bank affiliate.

The other commenter indicated that, as the vast majority loan-level data will not change month-over-month, the OCC should explain the importance of collecting this information on a monthly, rather than a quarterly basis. The commenter asserted that monthly collection is burdensome and its costs and benefits should be documented and justified. The commenter believed that the OCC should provide support that loan-level data, as opposed to pool-level data, significantly improves the OCC's ability to supervise credit risk. The commenter stated that the OCC should provide a safety and soundness justification for collecting very granular information, while asserting that loan-level data contains the sensitive personal information of borrowers. The commenter believed that loan-level data is less secure and that the OCC should specify the controls that will ensure that the information is not improperly accessed or abused. In addition, the commenter requested that monthly submissions put national banks and Federal savings associations at a competitive disadvantage with state-chartered institutions, which are not subject to the same requirements. The commenter noted that bank supervisors have historically monitored credit quality via regular onsite examinations and the monitoring of trends in basic metrics such as the level of past due loans, nonaccrual loans, criticized and classified loans, and troubled debt restructurings. The commenter suggested that the OCC provide an explanation as to why these methods are no longer sufficient without the addition of the proposed collection of monthly loan-level data.

The request for copies of the data templates will be met by the Information Collection Request, which will be submitted to the Office of Management and Budget and made publicly available at www.reginfo.gov. Banks generally use monthly data for their own risk management and reporting purposes. However, consistent with the commenter's suggestion, the OCC is exploring collecting certain first lien mortgage data on a quarterly, rather than monthly basis. Based upon OCC's supervisory experience and knowledge of banks' reporting capabilities, collection of loan-level data, rather than pool-level data, is generally less burdensome for banks. Additionally, the OCC is required by 12 U.S.C. 1715z-25 to report loan-level mortgage metrics data to Congress. It is not sufficient for the OCC to monitor the credit quality of first lien mortgages solely through on-site examinations, rather than collecting loan-level mortgage data. **The loan-level data collected is not linked with any particular individual and is subject to an information security program to ensure its confidentiality.** The OCC has worked with banks to develop a uniform set of loan-level mortgage data elements for purposes of monitoring the systemic risk of the first-lien mortgage business to the banking industry. Finally, the OCC

understands the commenter's concerns about duplication and is actively exploring using the FRB's FR Y-14 data, where possible, in order to decrease banks' reporting burden.

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

None.

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

The information collected will be kept private to the extent permitted by law.

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, including 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. No sensitive information is collected.

12. Provide estimates of the hour burden of the collection. Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories.

Estimated Number of Respondents: 61.

Estimated Annual Responses per Respondent: 12 per year.

Estimated Burden per Response: 430.

Estimated Total Annual Burden: 314,760 hours.

Cost to Respondents:

\$ 1,028,000.00

To estimate costs associated with the collection, we used the total contract cost for the information collection. OCC staff believes that national banks' and Federal savings associations' reporting costs are substantially lower.

13. Estimate of total annual startup and annual capital costs to respondents; and cost of operation, maintenance and purchase of services.

There are no start-up or operational costs for the collection. The maintenance and

purchase of services is not required.

14. Provide estimates of annualized cost to the Federal government, including a description of the method used to estimate cost.

None.

15. Explain the reasons for any program changes or adjustments reported.

The increase in burden is due to the fact that this a new collection.

16. For collections of information whose results will be published, outline plans for tabulation and publication.

No publication for statistical use is contemplated.

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.

Not applicable.

18. Explain each exception to the topics of the certification statement identified in the "Certification for Paperwork Reduction Act Submissions."

Not applicable.

B. Collections of Information Employing Statistical Methods

Not applicable.