

**Supporting Statement for  
OMB Control Number 1557-0243  
Registration of Mortgage Loan Originators**

**A. Justification.**

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

The regulations under this information collection (12 CFR Part 34, Subpart F) have been transferred to the Bureau of Consumer Financial Protection (CFPB) pursuant to title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), Pub. L. 111-203, 124 Stat. 1990, July 21, 2010, and republished as CFPB regulations (12 CFR Part 1007) (76 FR 78483 (December 19, 2011)). The burden estimates have been revised to remove the burden for OCC-regulated institutions with over \$10 billion in assets, which is now carried by CFPB pursuant to section 1025 of the Dodd-Frank Act, and to remove the initial start-up burden. The OCC retains enforcement authority for national banks and federal savings associations with \$10 billion or less in assets.

The S.A.F.E. Act requires an employee of a bank, savings association, or credit union and their subsidiaries regulated by a Federal banking agency or an employee of an institution regulated by the FCA (Agency-Regulated Institution) who engages in the business of a residential mortgage loan originator (MLO) to register with the Nationwide Mortgage Licensing System and Registry (Registry) and obtain a unique identifier. Agency-Regulated Institutions must require their employees who act as residential MLOs to comply with the Act's requirements to register and obtain a unique identifier and also to adopt and follow written policies and procedures to assure compliance with these requirements.

Pursuant to the S.A.F.E. Act, the Agencies jointly developed a system for registering MLOs employed by Agency-Regulated Institutions. The S.A.F.E. Act requires the Agencies, at a minimum, to furnish or cause to be furnished to the Registry information concerning the MLOs identity, including: (1) fingerprints for submission to the Federal Bureau of Investigations and any other relevant governmental agency for a State and national criminal background check and (2) personal history and experience, including authorization for the Registry to obtain information related to any administrative, civil, or criminal findings by any governmental jurisdiction.

The Registry is intended to aggregate and improve the flow of information to and between regulators; provide increased accountability and tracking of mortgage loan originators; enhance consumer protections; reduce fraud in the residential mortgage loan origination process; and provide consumers with easily accessible information at no charge regarding the employment history of, and the publicly adjudicated disciplinary and enforcement actions

against, mortgage loan originators.

**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.***

#### MLO Reporting Requirements

Unless the de minimis exception or a different implementation period applies, 12 CFR 1007.103(a) requires an employee of an institution that is engaged in the business of a MLO to register with the Registry, maintain such registration, and obtain a unique identifier. Under § 1007.103(b), an institution must require each such registration to be renewed annually and updated within 30 days of the occurrence of specified events. Section 1007.103(d) sets forth the categories of information that an employee, or the employing institution on the employee's behalf, must submit to the Registry, along with the employee's attestation as to the correctness of the information supplied, and an authorization to obtain further information.

#### MLO Disclosure Requirement

Section 1007.105(b) requires the MLO to provide the unique identifier to a consumer upon request.

#### Financial Institution Reporting Requirements

Section 1007.103(e) specifies the institution and employee information that an Agency-Regulated Institution must submit to the Registry in connection with the initial registration of one or more MLOs, and thereafter update.

#### Financial Institution Disclosure Requirements

Section 1007.105(a) requires the institution to make the unique identifier of MLO employees available to consumers in a manner and method practicable to the institution.

#### Financial Institution Recordkeeping Requirements

- Section 1007.103(d)(1)(xii) requires the collection of MLO employee fingerprints.
- Section 1007.104 requires that a institution employing MLOs to:
  - Adopt and follow written policies and procedures, at a minimum addressing certain specified areas, but otherwise appropriate to the nature, size and complexity of their mortgage lending activities.
  - Establish reasonable procedures and tracking systems for monitoring registration compliance; and
  - Establish a process for, and maintain records related to, employee criminal history background reports and actions taken with respect thereto.

**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 Federal registration is completed through the Nationwide Mortgage Licensing System and Registry; a web-based system developed and maintained by the Conference of State Bank Supervisors and the American Association of Residential Mortgage regulators jointly through the State Regulatory Registry LLC. The electronic form is stored in a secured, centralized repository.

**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.**

There is no duplication. The information is not available from any other source.

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

This collection of information imposes on banks, regardless of size, only the minimum burden necessary to accomplish the program objectives discussed in Items 1 and 2.

**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.**

The Agencies would be unable to meet the requirements of the statute.

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

Not applicable. This collection will be conducted consistent with the guidelines in 5 CFR 1320.6.

**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.**

On February 26, 2015 the OCC published a 60-day Federal Register notice regarding this collection. (80 FR 10566). No comments were received.

**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 will be kept confidential 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.

**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.**

Policies and Procedures; Tracking and Compliance Systems:

New Banks Chartered Annually: 1 x 351 hours (300 recordkeeping; 51 reporting) = 351 hours.

MLO Initial Set up:

Number of New MLOs Annually: 8,705 x 3.5 hours (2.5 reporting; 1 disclosure) = 30,468 hours.

Mortgage Loan Originator Update:

56,321 MLOs x 0.25 hours = 14,080 hours.

Annual Burden: 44,899 hours.

The OCC estimates the cost of the hour burden to respondents as follows:

44,898 hours x \$95.50 per hour = \$ 4,287,759.

To estimate compensation costs associated with the collection, we used \$95.50 per hour, which is based on December 2013 Bureau of Labor Statistics wage data for the average of the 90<sup>th</sup> percentile for seven occupations (i.e., accountants and auditors, compliance officers, financial analysts, lawyers, management occupations, software developers, and statisticians) plus an additional 33 percent to cover inflation adjustments and private sector benefits. According to Bureau of Labor Statistics employer costs of employee benefits data, thirty percent represents the average private sector costs of employee benefits. We use an inflation estimate of 3 percent.

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

Not applicable.

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

Not applicable.

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

Former Burden: 31,053 hours  
Current Burden: 44,898 hours  
Increase in Burden: + 13,845 hours

The increase in burden is due to the availability of more accurate burden estimates.

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

The OCC has no plans to publish the data for statistical purposes.

**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.”**

None.

B. Collections of Information Employing Statistical Methods

Not applicable.