SUPPORTING STATEMENT
HOME MORTGAGE DISCLOSURE ACT (HMDA)
(OMB No. 3064-0046)

INTRODUCTION

The FDIC requests OMB approval to extend for three years the currently approved collection captioned above. The clearance being requested is for the collection imposed by the Federal Reserve Board's (FRB) Regulation C and applicable to insured state nonmember banks supervised by the FDIC pursuant to the asset size threshold established by Regulation C. This OMB submission is consistent with the FDIC's Fair Housing regulation, 12 CFR Part 338. This information collection expires April 30, 2016.

A.   JUSTIFICATION

   1.   Circumstances and Need

        The Board of Governors of the Federal Reserve System promulgated Regulation C, 12 CFR Part 203, to implement the Home Mortgage Disclosure Act (HMDA), 12 U.S.C. § 2801-2810. Regulation C requires depository institutions that meet its asset-size threshold to maintain data about home loan applications (the type of loan requested, the purpose of the loan, whether the loan was approved, and the type of purchaser if the loan was later sold), to update the information quarterly, and to report the information annually. The Home Mortgage Disclosure Act now comes under the authority of the Consumer Finance Protection Bureau (CFPB).

        Regulation C applies to insured State nonmember banks supervised by the FDIC if those banks have assets over a certain dollar threshold which is determined annually pursuant to a method required by section 2225 of the Economic Growth and Paperwork Reduction Act of 1996 (EGRPRA) (Pub. L. 104-208, codified at 12 U.S.C. § 2808 (b)). The FDIC enforces HMDA with regard to insured state nonmember banks pursuant to 12 U.S.C. § 2804(b)(1)(C).

        The FDIC's Part 338 requires insured state nonmember banks which have assets over a determined amount to provide the same information required by Regulation C within 30 days after the end of each calendar quarter of the final disposition of each covered loan application. Banks may use a format known as the Loan Application Register to comply with the FDIC's Part 338 information requirement.

        This submission requests renewal of OMB's approved collection of information only for those FDIC supervised banks that are covered by the FRB's Regulation C, and does not request approval for a collection of information requirement for banks whose assets are below the threshold for Regulation C coverage.

2. Use of Information Collected

   The FDIC uses the information to assist its examiners in determining that the banks it supervises comply with applicable provisions of HMDA. The data permit regulators and the public to detect possible instances of unlawful discrimination in connection with certain housing-related credit.

3. Use of Technology to Reduce Burden

   The FDIC encourages use of technology to reduce burden on respondents by providing free computer software to pre-edit the HMDA data, thereby saving significant costs of resubmission. About 88% of FDIC-supervised lenders reported HMDA data via the internet/e-mail. The remaining 12% of lenders reported data in hardcopy format (their loans and applications constituted less than 3% of the total reported to the FDIC).

4. Efforts to Identify Duplication

   The information requested from FDIC supervised institutions pursuant to the FRB's Regulation C is not duplicated elsewhere. The FDIC is not requesting clearance for any collection of information similar to Regulation C.

5. Minimizing the Burden on Small Banks

   The collection of information has no impact on small institutions.

6. Consequences of Less Frequent Collections

   The collection of information is collected quarterly.

7. Special Circumstances

   None.

8. Consultations with Persons Outside the FDIC

   On December 15, 2015, the FDIC published a Federal Register notice proposing to extend the Home Mortgage Disclosure Act existing information collection (80 FR 77630). The FDIC did not receive any comments addressing this collection of information.

9. Payments of Gifts to Respondents.

   No payments or gifts are provided.

10. Confidentiality

The records kept under this collection are maintained by banks and reported annually. The CFPB requires this information to be made available to the public. However, details relating to the identification of the applicants are redacted. Any summaries or memoranda made by the FDIC as part of the examination process are kept confidential to the extent permitted by law.

11. Information of a Sensitive Nature

The information includes material that might be considered sensitive in nature such as the race or national origin, gender and income of loan applicants. Whenever the information is disclosed to the public, it is redacted to omit dates of application, dates of decisions on applications and application numbers.

12. Estimate of Annual Burden

The burden associated with this collection is a function of the number of loan applications each covered bank considers and of the time required to record and report each application.

Estimated annual number of respondents: 2,575

Estimated annual number of loan applications: 1,091,614

Time required to record and report each application: 5 minutes

1,091,614 x 5 minutes = 5,458,070 minutes or 90,967 hours

13. Capital, Start-up, Operating, and Maintenance Cost Burden

None.

14. Estimated Annual Cost to Federal Government

None

15. Reason for Change in Burden

There has been a reduction in the estimated number of respondents and an increase in the estimated annual number of loan applications.

16. Publication

The information collected is for use by the FDIC bank examination program and for disclosure to the public upon request after deletion of certain sensitive data elements. The information is not published by the FDIC.

17.   Display of Expiration Date

Not applicable.

18.   Exceptions to Certification

None.

B.   STATISTICAL METHODS

Statistical methods are not employed in this collection.