

**BUREAU OF CONSUMER FINANCIAL PROTECTION
PAPERWORK REDUCTION ACT SUBMISSION
INFORMATION COLLECTION REQUEST**

**SUPPORTING STATEMENT PART A
APPLICATION PROCESS FOR DESIGNATION OF RURAL AREA
UNDER FEDERAL CONSUMER FINANCIAL LAW
(OMB CONTROL NUMBER: 3170-0061)**

OMB TERMS OF CLEARANCE:

Not applicable. The Office of Management and Budget (OMB) provided no Terms of Clearance when is last approved this collection of information on March 1, 2016.

ABSTRACT:

Section 89002 of the HELP Rural Communities Act (Pub.L. 114 – 94) requires the Bureau to establish an application process under which a person may apply to have an area designated by the Bureau as a rural area for purposes of a Federal consumer financial law. On March 3, 2016, the Bureau published a Final rule in the Federal Register (81 FR 11099) which sets forth the procedure for making this application and requires the applicant to submit information identifying the area for which the request is made, and the justification for granting the area rural status. While the rule specifies what information is to be included, it does not specify to the form or format of the information.

JUSTIFICATION:

1. Circumstances Necessitating the Data Collection:

Some provisions of federal consumer financial protections law, including most notably the Truth in Lending Act (TILA) (15 U.S.C. 1601 *et seq.*), provide special exceptions or provisions for certain creditors doing business in rural areas. These provisions are generally designed to facilitate access to credit out of a concern that certain regulatory requirements might otherwise discourage creditors from extending loans in areas in which relatively few creditors may be active. For example, an exemption to the requirement to establish an escrow account for a higher-priced mortgage loan (escrow exception) partially depends on whether the creditor has extended credit secured by properties in rural areas, an exception to the prohibition on qualified mortgages having balloon-payment features (balloon-payment qualified mortgages) partially depends on whether the creditor has extended credit secured by properties in rural areas, and an exception to the balloon-payment prohibition for high-cost mortgages permitting balloon-payment qualified mortgages partially depends on whether the creditor has extended credit secured by properties in rural areas. These provisions were adopted as part of the Bureau's mortgage rules implementing title XIV of the Dodd-Frank Wall Street Reform and Consumer

Protection Act (Dodd-Frank Act) (Pub.L. 111–203), pursuant to its authority under TILA, as amended by the Dodd-Frank Act.

Section 89002 of the HELP Rural Communities Act of 2015 (Pub. L. 114-94) requires the Bureau to establish an application process under which a person may apply to have an area designated by the Bureau as a rural area for purposes of a Federal consumer financial law. Section 89002 of the HELP Rural Communities Act also provides details on many of the features of the process, including evaluation criteria for the Bureau’s determinations on these applications and a period for public comment on the applications. The Bureau is issuing this procedural rule to establish the process required by section 89002 of the HELP Rural Communities Act.

The application process included in this procedural rule requires the applicant to identify the area for which they are seeking designation. The application must also include information as to whether the area in question has been designated as Rural by either the US Census, the Office of Management and Budget (OMB), the US Department of Agriculture (USDA), or a state bank supervisor. The application must also include information on the population density of the area in question, and a justification for applying a rural designation. Finally the requestor must identify themselves and provide their contact information to the Bureau.

2. Use of the Information:

The information required by this application process, is used by the Bureau to evaluate whether using the evaluation criteria provided for in the HELP Rural Communities Act the area defined by the application qualifies for designation as a rural area for the purposes of a federal consumer financial law.

3. Use of Information Technology:

To ensure that the process of applying for an exemption is both easy and fast, any applicant may submit applications and supporting documentation to the Bureau in paper or electronic form.

4. Efforts to Identify Duplication:

While the information requested by this application is available directly from the Census Bureau, the appropriate state bank supervising agency, the USDA, and OMB, it is not available in a single place in a compiled form as requested by this application. The requirement for the applicant to compile and present the information to support this application allows the Bureau to make a thorough evaluation of the application as efficiently as possible, and does not duplicate any existing collection of information contained in any regulatory or statutory requirement administered by the Bureau.

5. Efforts to Minimize Burdens on Small Entities:

This collection allows any person or entity to make application under this process, including small entities. However the information requested from all entities is the minimum

necessary information for the Bureau to fulfil its statutory mandates to properly evaluate these applications.

6. Consequences of Less Frequent Collection and Obstacles to Burden Reduction

As discussed above, failing to collect this information may leave the Bureau without the necessary information to allow the Bureau to consider and grant the application request. The information is only collected on a voluntary basis, and the applicant determines the frequency with which they apply.

7. Circumstances Requiring Special Information Collection

There are no special circumstances. The collection of information is conducted in a manner consistent with the guidelines in 5 C.F.R. §1320.5(d)(2).

8. Consultation Outside the Agency

In accordance with 5 C.F.R. §1320.13(d), the Bureau published a notice in the *Federal Register* stating that it was requesting emergency processing under the requirements of the Paperwork Reduction Act of 1995 (PRA) for OMB review. Comments in response to this notice were directed towards OMB and requested by February 29, 2016 . Contemporaneously as part of the standard PRA clearance process, in accordance with 5 C.F.R. §1320.8(d)(1), the Bureau also published a notice *Federal Register* allowing the public 60 days to comment on this proposed collection of information. Comments in response to this notice are directed towards the Bureau. No comments were received. Further and in accordance with 5 C.F.R. §1320.5(a)(1)(iv), the Bureau has published a notice in the *Federal Register* allowing the public 30 days to comment on the submission of this information collection request to OMB.

9. Payments or Gifts to Respondents

Not applicable. The information collection does not provide for making payments or gifts to respondents.

10. Assurances of Confidentiality

Not Applicable. The collection of information will be published in the Federal Register and will be available to the public. The procedural rule requires applicants that are not natural persons to submit evidence that they do business in the State in which the area identified is located, but permits them to identify parts of that evidence that they wish to be redacted from publication in the Federal Register. The procedural rule specifically avoids collecting similar information from natural person applicants and permits the Bureau to redact the Federal Register publication to withhold any unnecessary personal information included in the application.

11. Justification for Sensitive Questions

The collection of information generally does not collect information that would be

considered private. As discussed above, applicants that are not natural persons must submit evidence that they live or do business in the State in which the area identified is located, but the procedural rule permits them to identify parts of that evidence that they wish to be redacted from publication in the Federal Register.

12. Estimated Burden of Information Collection

This application is voluntary and limited to a submission that is no longer than 10 pages. The information required for this application is readily available for compilation from public sources, most available online. Further, we expect that any entity making an application under this rule will have previously researched the area in question for their own business purposes or in the regular course of their business, and that the main burden of this application will be the compilation of the requested information before submission. Accordingly, the Bureau estimates the burden as follows:

Burden Hour Summary

Information Collection Requirement	No. of Respondents	Type of IC	Frequency	Annual Responses	Average Response Time	Annual Burden Hours	Hourly Rate	Hourly Costs
Application for Rural Designation	1	Reporting	1	1	5 hours	5	\$31.23	\$156

13. Estimated Total Annual Cost Burden to Respondents or Recordkeepers

As stated above, it is presumed that any applicant under this process has a business interest in the area for which they are seeking this designation, therefore there should be minimal costs to collect and submit this information, consisting of only the *de minimis* costs related to compiling the information and transmitting it to the Bureau.

14. Estimated Cost to the Federal Government

The Bureau does not incur any new or unique costs as a result of this collection of information.

15. Program Changes or Adjustments

Not applicable. No program changes nor adjustments are being requested.

16. Plans for Tabulation, Statistical Analysis, and Publication

As required by the HELP Rural Communities Act, the applications submitted under this process will be published by the Bureau in the Federal Register to solicit public comment on the application. Comments will be accepted for a minimum period of 90 days. The Bureau is

¹ Bureau of Labor Statistics May 2014 Occupational Employment and Wage Estimates
http://www.bls.gov/oes/current/oes_nat.htm#13-0000 Mean hourly wage for Compliance Officers

also required to publish its decision on the application in the Register, along with an explanation of what factors the Bureau relied on in making its determination.

17. Display of Expiration Date

There are currently no forms or other instruments associated with this information collection on which to display the OMB-assigned expiration date. The OMB control number are displayed in the procedural rule published in the Federal Register and the OMB number and expiration date will be displayed on the Federal government's electronic PRA docket at www.reginfo.gov.

18. Exceptions to the Certification Requirement

The Bureau certifies that this collection of information is consistent with the requirements of 5 C.F.R. § 1320.9, and the related provisions of 5 C.F.R. § 1320.8(b)(3) and is not seeking an exemption to these certification requirements.