

**BUREAU OF CONSUMER FINANCIAL PROTECTION  
PAPERWORK REDUCTION ACT SUBMISSION  
INFORMATION COLLECTION REQUEST  
SUPPORTING STATEMENT PART A**

**TRUTH IN LENDING ACT (REGULATION Z) 12 CFR 1026  
(OMB CONTROL NUMBER: 3170-0015)**

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**NOTE TO REVIEWERS**

The Bureau of Consumer Financial Protection (CFPB or Bureau) is updating its previous supporting statement for Regulation Z. This update addresses the impact on existing information collection requirements in Regulation Z that are affected by the CFPB's proposed rule, *Amendments to Federal Mortgage Disclosure Requirements under the Truth in Lending Act (Regulation Z)*

**TERMS OF CLEARANCE**

Prior to the renewal of this collection, CFPB will consult with OMB on the placement of OMB control numbers on the model forms included in this collection. The CFPB is making an effort to identify any and all material related to this collection where the display of the OMB control number would be appropriate, such as the compliance guides and instructions for this collection.

**ABSTRACT**

The Truth in Lending Act (TILA), 15 U.S.C. 1601 *et seq.*, was enacted to foster comparison credit shopping and informed credit decision making by requiring accurate disclosure of the costs and terms of credit to consumers and to protect consumers against inaccurate and unfair credit billing practices. Creditors are subject to disclosure and other requirements that apply to open-end credit (*e.g.*, revolving credit or credit lines) and closed-end credit (*e.g.*, installment financing). TILA imposes disclosure requirements on all types of creditors in connection with consumer credit, including mortgage companies, finance companies, retailers, and credit card issuers, to ensure that consumers are fully apprised of the terms of financing prior to consummation of the transaction and, as in the case of the regulations covered by this rulemaking, during the loan term.

This proposal would make several substantive changes to the TILA-RESPA Final Rule, along with clarifications, minor changes, and technical corrections: a) creating tolerance provisions for the total of payments disclosure in the Closing Disclosure; b) removing recording fees and taxes from the calculation of 1% threshold for the purposes of 1026.3(h) requirements; c) confirming that information collection requirements under the TILA-RESPA Final Rule apply to transactions secured by cooperative units; and d) confirming that post-consummation disclosure requirements apply to all covered transactions, not only those with an application date

on or after October 3, 2015.

## **JUSTIFICATION**

### **1. Circumstances Necessitating the Data Collection**

The Truth in Lending Act (TILA), 15 U.S.C. 1601 *et seq.*, was enacted to foster comparison credit shopping and informed credit decision making by requiring accurate disclosure of the costs and terms of credit to consumers and to protect consumers against inaccurate and unfair credit billing practices. Creditors are subject to disclosure and other requirements that apply to open-end credit (*e.g.*, revolving credit or credit lines) and closed-end credit (*e.g.*, installment financing). TILA imposes disclosure requirements on all types of creditors in connection with consumer credit, including mortgage companies, finance companies, retailers, and credit card issuers, to ensure that consumers are fully apprised of the terms of financing prior to consummation of the transaction and, as in the case of the regulations covered by this rulemaking, during the loan term. Regulation Z was previously implemented by the Board of Governors of the Federal Reserve System (Board) at 12 CFR 226. In light of the transfer of the Board's rulemaking authority for TILA to the CFPB, the CFPB adopted an interim final rule (Interim Final Rule) recodifying the Board's Regulation Z at 12 CFR 1026. The CFPB enforces TILA as certain creditors, advertisers, and other covered persons. TILA also contains a private right of action for consumers.

Although Regulation Z has historically implemented provisions of TILA, the Dodd-Frank Act amended TILA and the Real Estate Settlement Procedures Act (RESPA) to mandate specifically that the CFPB establish a single, integrated disclosure (including real estate settlement cost statements) that includes the disclosure requirements of TILA and RESPA for mortgage loan transactions subject to both or either provisions of law. 15 U.S.C. 1604(a); 12 U.S.C. 2603(a). Required disclosures under RESPA include a good faith estimate of settlement costs, a special information booklet, and an itemization of settlement charges imposed upon the borrower and the seller. The implementing regulations for RESPA have historically been published in HUD's Regulation X at 24 CFR 3500, which the CFPB recodified at 12 CFR 1024. Through the TILA-RESPA Final Rule issued in November 2013, entitled "Integrated Mortgage Disclosures Under the Real Estate Settlement Procedures Act (Regulation X) and the Truth In Lending Act (Regulation Z)" at 78 FR 79730, the CFPB amended Regulation Z to implement certain provisions of RESPA and the TILA-RESPA integration and certain other disclosure requirements of the Dodd-Frank Act. The CFPB enforces RESPA as to certain lenders, mortgage brokers, and settlement agents.

Since the effective date of the Final Rule, the Bureau has continued to engage in ongoing outreach and monitoring with consumer advocacy groups, industry representatives, housing counselors, and other stakeholders. As a result, the Bureau has identified further issues that are addressed in the proposed rule. This proposal would make several substantive changes to the TILA-RESPA Final Rule, along with clarifications, minor changes, and technical corrections.

*Partial exemption under § 1026.3(h).* Section 1026.3(h) specifies that the TILA-RESPA integrated disclosure requirements do not apply if a mortgage transaction satisfies certain criteria that apply to low-cost, non-interest bearing housing assistance loans. The creditor must, however, provide the disclosures required by § 1026.18, ensuring that the consumer receives TILA disclosures of the cost of credit. The Bureau is proposing to revise § 1026.3(h) to clarify that transfer taxes may be payable by the consumer at consummation without losing eligibility for the partial exemption and to exclude recording fees and transfer taxes from the 1-percent threshold for total costs payable by the consumer at consummation.

*Coverage of loans secured by cooperatives.* The TILA-RESPA Rule, including § 1026.19(e) and (f), generally applies to closed-end consumer credit transactions secured by real property, other than reverse mortgages. Regulation Z does not define the term “real property,” but § 1026.2(b)(3) states that, unless defined in Regulation Z, the words used therein have the meanings given to them by State law or contract. If State law is not definitive whether cooperative units are real property or personal property, creditors may be unsure whether loans secured by cooperative units are covered by the TILA-RESPA Rule. To eliminate this uncertainty, the Bureau is proposing to amend the TILA-RESPA Rule to cover closed-end consumer credit transactions, other than reverse mortgages, secured by cooperative units.

*Post-consummation disclosures.* The Bureau has learned that there is uncertainty whether the disclosures in §§ 1026.20(e) and 1026.39(d)(5) (together, the post-consummation disclosures) apply to all covered transactions as of the effective date or only to covered transactions for which the creditor or mortgage broker received an application on or after October 3, 2015. The Bureau considers either approach compliant under existing comment 1(d)(5)-1. Under the proposed rule, the escrow cancellation notice required by § 1026.20(e) and the partial payment disclosure required by § 1026.39(d)(5) would be provided for all loans, not only those with an application date on or after October 3, 2015.

*Tolerances for total of payments disclosure.* The Bureau proposes to revise §§ 1026.23(g), (h) and 1026.38(o) to apply the same tolerances for accuracy to the total of payments for purposes of the Closing Disclosure that already apply to the finance charge and other disclosures affected by the finance charge.

## **2. Use of the Information**

The third party disclosures and recordkeeping requirements in this collection are required by statute and regulation, as explained above. Consumers rely on the disclosures required by TILA and Regulation Z to understand their estimated and final cost of credit, including settlement costs. Without this information, consumers would be hindered in their ability to assess the true costs and terms of financing offered or to comparison shop. Additionally, this information is needed by State and Federal agencies for supervision and enforcement of TILA and Regulation Z. See 15 U.S.C. 1607, 1640.

### **3. Use of Information Technology**

Regulation Z contains rules to establish uniform standards for using electronic communication to deliver disclosures required under Regulation Z, within the context of the Electronic Signatures in Global and National Commerce Act (ESIGN), 15 U.S.C. 7001 et seq. 12 CFR 1026.5(a)(1)(iii), 1026.17(a)(1). These rules enable businesses to utilize electronic disclosures and compliance, consistent with the requirements of ESIGN. Use of such electronic communications is also consistent with the Government Paperwork Elimination Act (GPEA), Title XVII of Pub. L. 105-277, codified at 44 U.S.C. 3504, note. ESIGN and GPEA serve to reduce businesses' compliance burden related to Federal requirements, including Regulation Z, by enabling businesses to use more efficient electronic media for disclosures and compliance.

Regulation Z also permits creditors to retain records using any method that reproduces records accurately, including computer programs. Creditors need only retain enough information to reconstruct the required disclosure or other records.

### **4. Efforts to Identify Duplication**

The disclosures required by TILA and Regulation Z are not otherwise required by Federal law. State laws do not duplicate these requirements, although some States may have other rules applicable to consumer credit transactions.

### **5. Efforts to Minimize Burdens on Small Entities**

TILA and Regulation Z disclosure requirements are imposed on all creditors. Most lenders today use some degree of computerization in their business, and Regulation Z permits businesses to rely on computer support, among other alternatives, to meet their disclosure requirements. This flexibility yields reduced disclosure costs.

Moreover, Regulation Z provides model forms and clauses that may be used in compliance with its requirements. Correct use of these forms and clauses insulates a creditor from liability as to proper format. The CFPB has determined that the integrated disclosures serve as model forms for transactions subject to TILA, and standard forms for transactions subject to both TILA and RESPA.

The proposed rule contains a number of clarifications that are meant to facilitate compliance for covered persons, including small entities.

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

TILA-RESPA requires creditors to retain evidence of compliance with the integrated disclosure provisions of Regulation Z for three years after consummation of the transaction, except that creditors must retain the Closing Disclosure and all documents related to the Closing Disclosure for five years after consummation. Creditors must retain evidence of compliance with the Post-Consummation Escrow Cancellation Notice and the post-consummation Partial Payment Policy disclosure for two years in accordance with the current record retention period for Regulation Z.

As noted, the disclosure requirements are needed to facilitate comparison cost shopping and to spur informed credit decision making. Without these requirements, consumers may not have access to this critical information, may not receive it in a timely fashion, or may not receive it in an easily-understandable manner.

## **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 CFR 1320.5(d)(2).

## **8. Consultation Outside the Agency**

In Dodd-Frank Act sections 1032(f), 1098, and 1100A, Congress directed the Bureau to integrate the mortgage loan disclosures under TILA and RESPA.<sup>1</sup> The Bureau undertook significant stakeholder outreach and consumer testing as it developed the proposal.<sup>2</sup> That work included researching how consumers interact with and understand information, testing of prototype disclosures, developing interactive online tools to gather public feedback (which ultimately garnered more than 27,000 individual comments on the prototype disclosures), and hosting roundtable discussions, teleconferences, and meetings with consumer advocacy groups, industry representatives, and other government agencies. In addition to more conventional outreach to industry stakeholders, the Bureau conducted testing with industry participants, as well as consumers.<sup>3</sup> The Bureau also convened a Small Business Review Panel to solicit input from representatives of small entities.

The Bureau's 2012 proposal to integrate the TILA and RESPA disclosures (the 2012 TILA-RESPA Proposal) built from this extensive early outreach and research.<sup>4</sup> That proposal was animated by three primary goals: first, to consolidate the overlapping forms to reduce burden on creditors and facilitate compliance; second, to develop clear disclosures that help consumers understand the credit transaction and closing costs; and, third, to facilitate comparison

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<sup>1</sup> Public Law 111-203, 124 Stat. 1376, 2007, 2103-04, 2107-09 (2010).

<sup>2</sup> 78 FR 79730, 79742-744 (Dec. 31, 2013).

<sup>3</sup> 78 FR 79730, 79743 (Dec. 31, 2013).

<sup>4</sup> 77 FR 51116 (Aug. 23, 2012).

shopping so that consumers could more readily choose mortgages that are right for them.

The Bureau received over 2,800 comments on its proposal from a wide range of interested parties.<sup>5</sup> In addition to considering all of the comments provided, the Bureau conducted additional qualitative testing of the disclosures, qualitative testing of the Spanish language translations of the disclosures conducted under OMB Control #3170-0022 “Generic Clearance for Development and/or Testing of Model Forms, Disclosures, Tools, and Other Similar Related Materials” , and a large-scale quantitative study.<sup>6</sup> In the quantitative study, respondents were able to answer questions about a hypothetical loan’s features with statistically significant greater accuracy when using the new disclosures as compared to the existing disclosures.<sup>7</sup>

After consideration of the comments, the testing results, and the quantitative study, on November 20, 2013, the Bureau issued the TILA-RESPA Final Rule.

### *The proposed rule*

In accordance with 5 CFR 1320.11, the Bureau has published a notice of proposed rulemaking in the *Federal Register* inviting the public to comment on the information collection requirements contained in the proposed rule. Comments received in response to the notice of proposed rulemaking will be addressed in the preamble to the final rule.

Prior to issuing the proposed rule, the CFPB consulted or offered to consult with other Federal agencies consistent with section 1022 of the Dodd-Frank Act. The CFPB also consulted with other stakeholders, including listening sessions with industry representatives.

## **9. Payments or Gifts to Respondents**

Not applicable, no payments or gifts are provided to respondents

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<sup>5</sup> The TILA-RESPA Final Rule notes that “consumer advocacy groups; national, State, and regional industry trade associations; banks; community banks; credit unions; financial companies; mortgage brokers; title insurance underwriters; title insurance agents and companies; settlement agents; escrow agents; law firms; document software companies; loan origination software companies; appraisal management companies; appraisers; State housing finance authorities; counseling associations and intermediaries; State attorneys general; associations of State financial services regulators; State bar associations; government sponsored enterprises (GSEs); a member of the U.S. Congress; the Committee on Small Business of the U.S. House of Representatives; Federal agencies, including the staff of the Bureau of Consumer Protection, the Bureau of Economics, and the Office of Policy Planning of the Federal Trade Commission (FTC staff), and the Office of Advocacy of the Small Business Administration (SBA); and individual consumers and academics.” 78 FR 79730, 79745 (Dec. 31, 2013).

<sup>6</sup> 78 FR 79730, 79746-750 (Dec. 31, 2013). OMB Control Number #3170-0033 “Quantitative Testing of Integrated Mortgage Loan Disclosure Forms”

<sup>7</sup> Kleimann Comm. Group, Know Before You Owe: Quantitative Study of the Current and Integrated TILA-RESPA Disclosures (2013), available at [http://files.consumerfinance.gov/f/201311\\_cfpb\\_study\\_tila-respa\\_disclosure-comparison.pdf](http://files.consumerfinance.gov/f/201311_cfpb_study_tila-respa_disclosure-comparison.pdf).

## **10. Assurances of Confidentiality**

Since this information collection contains required disclosures and recordkeeping requirements only, and the CFPB does not collect any information, personally identifiable or otherwise; there is no applicable System of Records Notice (SORN) or Privacy Impact Assessment that would apply to this collection.

## **11. Justification for Sensitive Questions**

There is no information of a sensitive nature being requested.

## **12. Estimated Burden of Information Collection**

The CFPB accounts for the paperwork burden associated with Regulation Z for the following respondents pursuant to its administrative enforcement authority: insured depository institutions with more than \$10 billion in total assets, their depository institution affiliates, and certain nondepository institutions. The CFPB estimates it has 2,922 total respondents (128 depository institutions and affiliates and 2,515 nondepository institutions and 349 affiliates). The CFPB and the FTC generally have joint enforcement authority over nondepository institutions. To prevent double-counting the same population, the CFPB has allocated to itself half of the estimated burden to nondepository institutions.

### **Effect of the Amendments:**

The proposed rule contains a number of changes regarding information collection requirement that have potential to increase or decrease the total PRA burden. The Bureau does not have data to quantify the impact of the proposed changes, and is seeking comment on the issue. However, as discussed in more detail below, the Bureau does not believe that any of the proposed changes will produce a meaningful impact on the total PRA burden associated with Regulation Z.

### **Partial exemption under § 1026.3(h)**

As a result of the proposed change, some of the housing assistance loans that were previously ineligible for the 1026.3(h) exemption now become eligible. For these loans, creditors would now provide a general TILA disclosure instead of a HUD-1 and GFE . The Bureau has learned that many lenders providing 3(h) loans no longer maintain computerized systems for providing the legacy HUD-1 and GFE disclosures and use manual methods for completing disclosures, which are costly and prone to errors. For such creditors, using the simpler general TILA disclosure is likely to be burden reducing. The Bureau does not have data on the number of loans affected by the proposed change. However, based on available evidence, the Bureau estimates that such loans comprise only a very small share of all transactions covered by the Regulation Z.

### **Coverage of loans secured by cooperatives.**

As a result of the proposed change, transactions secured by cooperative units would now be explicitly included in the set of transactions for which the creditor must issue an integrated disclosure, instead of the HUD-1 and GFE and general TILA disclosures. The Bureau believes that creditors may incur costs currently in assessing whether they are required to issue the integrated disclosures or the general TILA disclosures plus the HUD-1 and GFE. The Bureau also believes that creditors currently have the capability to issue the integrated disclosures in place of the HUD-1 and GFE. Therefore, the proposed change is likely burden-neutral or burden-reducing.

#### Post-consummation disclosures.

Under the proposed rule, the escrow cancellation notice required by § 1026.20(e) and the partial payment disclosure required by § 1026.39(d)(5) would be provided for all loans, not only those with an application date on or after October 3, 2015. Based on outreach, the Bureau believes that most covered persons issue post-consummation disclosures to all consumers, regardless of the application date. Therefore, the proposed change is likely burden-neutral.

#### Tolerances for total of payments disclosure.

The Bureau proposes to revise § 1026.23(g) to apply the same tolerances for accuracy to the total of payments for purposes of the Closing Disclosure that already apply to the finance charge and disclosures affected by the finance charge. Currently, the tolerance for the total of payments is zero. By relaxing some of the constraints on the accuracy of the total of payments, the Bureau is likely reducing the PRA burden associated with Closing Disclosure, at least for some creditors. The Bureau does not have data to quantify this change; however, the Bureau believes that creditors are generally unlikely to change their practices in response to the new tolerance regime. For this reason, the Bureau believes this change to be burden neutral.

#### ***Existing Burden***

CFPB accounts for the paperwork burden associated with Regulation Z for the following respondents pursuant to its administrative enforcement authority: insured depository institutions with more than \$10 billion in total assets, their depository institution affiliates, and certain nondepository institutions. The CFPB estimates it has 2,922 total respondents (128 depository institutions and affiliates and 2,515 nondepository institutions and 349 affiliates). The CFPB and the FTC generally have joint enforcement authority over nondepository institutions. To prevent double-counting the same population, the CFPB has allocated to itself half of the estimated burden to nondepository institutions.

The CFPB calculates labor costs by applying appropriate hourly cost figures to the burden hours described below. The hourly rates used are based on Bureau of Labor Statistics data for depository and nondepository credit intermediators. The fully-loaded hourly labor cost by occupation is given below.

Currently Regulation Z's approved information collections and the CFPB's share of their associated burdens is as follows:



**Table 1: Regulation Z Current Ongoing Burden of Recordkeeping, Disclosure and Reporting Requirements**

<b>Information Collection Requirement</b>	<b>No. of Respondents</b>	<b>Annual Responses Per Respondent</b>	<b>Estimated Annual Responses</b>	<b>Average Response Time (hrs.)</b>	<b>Annual Burden Hours</b>
Loan estimates, Closing Disclosure and subsequent notice requirements	2,992	72,435	216,725,520	0.04	8,677,000

The CFPB’s estimates of the burden of these information collections remain unchanged. We estimate the following burden of these information collections:

*A. Loan Estimate and Closing Disclosure*

Under this regulation, responsibility for delivering the Loan Estimate will lie with the creditor. The CFPB believes that in some circumstances the Loan Estimate may be delivered by a mortgage broker acting on behalf of the creditor, as is currently the case with the RESPA GFE. In addition, the creditor is solely responsible for providing the Closing Disclosure to the consumer, but either the settlement agent or the creditor can provide the Closing Disclosure. Although respondents under PRA for Regulation Z also include mortgage brokers and settlement agents, for purposes of the PRA analysis, the CFPB assumes that the creditor takes on the obligation to deliver the Loan Estimate and the Closing Disclosure. Accordingly, there is minimal burden attributed to brokers and settlement agents.

*i. Ongoing burden*

Covered persons will have ongoing costs from providing the disclosures. Based on industry feedback, the CFPB understands that most disclosures will be generated by automated systems that use data collected by covered entities in the normal course of business. The CFPB believes that a small number of the disclosures in the Loan Estimate and Closing Disclosure will be generated using data that may not otherwise be collected in the normal course of business, and has considered this in calculating the ongoing burden associated with the information collection. The CFPB’s estimates also account for the time covered persons will spend to review the forms for accuracy. The CFPB therefore estimates that providing a Loan Estimate will take approximately 3 minutes and providing a Closing Disclosure will take approximately 6 minutes. However, the CFPB may adjust its calculation if it determines that such information is collected or reviewed for accuracy in the normal course of business or that automated sources of such data exist that would make any burden associated with collecting that data negligible.

In calculating the total burden of providing Loan Estimates and Closing Disclosures, the CFPB assumes that Loan Estimates will be provided in response to applications for

mortgages and Closing Disclosures will be provided three business days before mortgages are consummated. The CFPB further estimates entities will reissue on average two Loan Estimates per loan originated.

### *B. Implementation of Certain New Disclosures Mandated by the Dodd-Frank Act*

Title XIV of the Dodd-Frank Act added new disclosure requirements to TILA and RESPA for mortgage transactions, including the Post-Consummation Escrow Cancellation Notice for certain mortgage transactions and the Partial Payment Policy disclosure for certain mortgage transactions.

Although the Dodd-Frank Act does not specifically require inclusion of all of these new disclosures in the Loan Estimate and the Closing Disclosure, the CFPB is including some of these disclosures in the integrated forms and also requiring the provision of the Post-Consummation Escrow Cancellation Notice and the Partial Payment Policy disclosure for certain mortgage transactions because doing so benefits consumers and reduces burden on covered persons. Disclosure of this information ensures that consumers have the facts to understand a key aspect of their mortgage loan and avoid the uninformed use of credit. The CFPB also believes that the disclosure of this information ensures that the features of the mortgage transaction, both initially and over the term of the transaction, are fully, accurately, and effectively disclosed to consumers in a manner that permits consumers to understand the costs, benefits, and risks associated with the mortgage transaction, in light of the facts and circumstances, and improves consumer awareness and understanding of residential mortgage loans. Covered persons may incur recurring costs associated with calculating and disclosing this information to consumers. The CFPB believes that any burden associated with the Post-Consummation Escrow Cancellation Notice and the post-consummation Partial Payment Policy disclosure requirements is minimal or de minimis beyond presentation of the information, which is ongoing.

### *C. Recordkeeping*

The regulation requires creditors to retain evidence of compliance with the integrated disclosure provisions of Regulation Z for three years after consummation of the transaction, except that creditors must retain the Closing Disclosure and all documents related to the Closing Disclosure for five years after consummation, consistent with the requirements of existing Regulation X. The regulation also requires that if a creditor sells, transfers, or otherwise disposes of its interest in a mortgage and does not service the mortgage, the creditor shall provide a copy of the Closing Disclosure to the owner or servicer of the mortgage as a part of the transfer of the loan file. Such owner or servicer shall retain such disclosures for the remainder of the five-year period. The CFPB recognizes that this requirement is different from the current requirements under Regulation X, which does not require a creditor to maintain these documents if the creditor disposes of its interest in the mortgage loan and does not service the mortgage loan. The CFPB believes that any burden associated with the final rule's recordkeeping requirement will be minimal or de minimis, since only information sufficient to reconstruct the required record is required to be retained.

Covered persons will have ongoing costs from complying with the new record retention requirements. The CFPB believes that any burden associated with Regulation Z's record keeping requirements are minimal or de minimis, since only information sufficient to reconstruct the required record is required to be retained.

The CFPB's estimates of the burden of these information collections remain unchanged.

### **13. Estimated Total Annual Cost Burden to Respondents or Recordkeepers**

#### *Effect of the Amendments*

As discussed in detail above, the Bureau does not believe that any of the proposed changes would result in a meaningful increase in annual cost burden to respondents or recordkeepers.

#### *Existing Burden*

Additional Materials Cost: \$9,400,000.00

**Table 2 Current Cost Burden of Recordkeeping, Disclosure and Reporting Requirements**

Description of costs	Unit Cost	Notices/Statements	Total Cost
Printing and mailing of loan disclosure	\$ 0.80	8,875,000	\$7,100,000
Printing and mailing closing disclosure	\$ 0.95	2,421,053	\$ 2,300,000
<b>CFPB materials cost:</b>	<b>\$9,400,000.00</b>		

The CFPB believes most of the required disclosures in this collection are provided electronically, and therefore incur no costs. However some disclosures still have significant costs associated with producing and mailing them; specifically, the Loan Estimate and Closing Disclosure. The CFPB estimates that approximately half of these disclosures or will be provided electronically and therefore will incur no cost beyond the labor costs described in #12, above, however the CFPB estimates the cost per disclosure of producing and mailing the remaining disclosures, 11,296,053 in total, is approximately \$0.80 per Loan Estimate and \$0.95 per Closing Disclosure, including postage.<sup>9</sup> Thus production and mailing costs is roughly \$7.1 million for the Loan Estimate and \$2.3 million for the Closing Disclosure.

### **14. Estimated Cost to the Federal Government**

There are no changes to the cost to the federal government.

## **15. Program Changes or Adjustments**

The Bureau does not have data to quantify the impact of the proposed changes, and is seeking comment on the issue. However, as discussed in more detail below, the Bureau does not believe that any of the proposed changes will produce a meaningful impact on the total PRA burden associated with Regulation Z. Therefore, it is estimated that there are currently no program changes or adjustments as a result of these updates. However, as the Bureau is updating this supporting statement, it is removing the one-time burden hour costs previously associated with the last amendment to Regulations Z as it believes those costs have now been fully absorbed by covered persons. In addition the additional 1,479 responses reflected here come from a recalculation of the Bureau's estimates and a difference in the method of rounding used to make the calculation.

	<b>Total Respondents</b>	<b>Annual Responses</b>	<b>Burden Hours</b>	<b>Cost Burden (O &amp; M)</b>
Total Annual Burden Requested	2,992	216, 725,520	8,677,000	9,400,000
Current OMB Inventory	2,992	216, 724,041	10,055,000	9,400,000
Difference (+/-)	0	+1,479	-1,378,000	0
Program Change	0	0	0	0
Discretionary	0		0	0
New Statute	0	0	0	0
Violation	0	0	0	0
Adjustment	0	+1,479	-1,378,000	0

## **16. Plans for Tabulation, Statistical Analysis, and Publication**

There are no plans for the publication of the information.

## **17. Display of Expiration Date**

The OMB control number and expiration date associated with this PRA submission will be displayed on the Federal government's electronic PRA docket at [www.reginfo.gov](http://www.reginfo.gov), as well as in the Code of Federal Regulations (C.F.R.). There are no required forms or other documents upon which display of the control number and expiration date would be appropriate. However the control number is displayed on the compliance guides issued by the Bureau to aid covered entities in complying with this regulation

## **18. Exceptions to the Certification Requirement**

The CFPB certifies the this collection of information is consistent with the requirements of 5 CFR 1320.9, and the related provisions of 5 CFR 1320.8(b)(3) and is not seeking an exemption

to the certification requirements.

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**PART B Collections of Information Using Statistical Methods**

The information collection request does not propose the use of statistical methods; therefore, Supporting Statement Part B does not apply.

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