

**Supporting Statement for
OMB Control No. 1557-0246
Reverse Mortgage Products – Guidance for
Managing Reputation Risks**

A. Justification.

1. *Circumstances that make the collection necessary:*

On December 16, 2009, the OCC, FDIC, FRB and NCUA sought comment on the guidance,¹ which they issued in final form on August 17, 2010.² The guidance focused on the need to provide adequate information to consumers about reverse mortgage products, to provide qualified independent counseling to consumers considering these products, and to avoid potential conflicts of interest. It also addressed related policies, procedures, internal controls, and third party risk management.

2. *Use of the information:*

The information collection requirements contained in the guidance include implementation of policies and procedures, training, and program maintenance:

- Institutions offering reverse mortgages should have written policies and procedures that prohibit the practice of directing a consumer to a particular counseling agency or contacting a counselor on the consumer's behalf.
- Policies should be clear so that originators do not have an inappropriate incentive to sell other products that appear linked to the granting of a mortgage.
- Legal and compliance reviews should include oversight of compensation programs so that lending personnel are not improperly encouraged to direct consumers to particular products.
- Training should be designed so that relevant lending personnel are able to convey information to consumers about product terms and risks in a timely, accurate, and balanced manner.

3. *Consideration of the use of improved information technology:*

Institutions may use any means of improved information technology that meets the requirements of the guidance.

¹ 74 FR 66652.

² 75 FR 50801.

4. *Efforts to identify duplication:*

To the extent that institutions already have policies in place that comply with the requirements of the guidance, no new policies would be necessary. Generally, the requirement to adopt policies and internal controls for reverse mortgage products would be supplementary to an institution's existing loan policies.

5. *Methods used to minimize burden if the collection has a significant impact on small entities:*

This information collection does not have a significant impact on a significant number of small entities.

6. *Consequences to the Federal Program if the collection were conducted less frequently:*

The compliance and reputation risks raised by reverse mortgage lending would go unchecked.

7. *Special circumstances necessitating collection inconsistent with 5 CFR Part 1320:*

Not applicable. This information is collected in a manner consistent with the guidelines in 5 CFR 1320.6.

8. *Efforts to consult with persons outside the agency:*

On July 12, 2016, the OCC issued a 60-day notice soliciting comment on the collection, 81 FR 45221. One comment was received from an individual.

The commenter stated that the collection of information is necessary and vital for the proper performance of the Federal banking agencies' functions and that it has a practical utility. The commenter believes that, in any information collection, automated collection techniques would reduce the burden of information collection requirements on the public and the agencies. The commenter suggested that requests for information from the public should include a link to a website where the requested information may be uploaded. The commenter doesn't believe that this would add significant cost and feels that it would make providing information less burdensome.

The OCC uses automated collection techniques whenever possible in its information collections, including links where information may be uploaded.

9. *Payment to respondents:*

Not applicable. There is no payment to respondents.

10. Any assurance of confidentiality:

No assurance of confidentiality is provided.

11. Justification for questions of a sensitive nature:

Not applicable.

12. Burden estimate:

Number of respondents: 15 (14 existing, 1 new).

Burden per respondent:

40 hours to implement policies and procedures and to provide training.

8 hours annually to maintain program.

Burden calculation:

14 existing respondents x 8 hours annually to maintain program = 112 hours

1 new respondent x 8 hours annually to maintain program = 8 hours

1 new respondent x 40 hours to implement policies and procedures and to provide training = 40 hours.

Total estimated annual burden: 160 hours.

A number of OCC institutions have stopped originating reverse mortgages, and no OCC institutions have started originating them. Therefore, the OCC is carrying placeholder burden of one institution for number of new originators, in the event that any begin to originate reverse mortgages.

13. Estimates of annualized costs to respondents:

Not applicable.

14. Estimate of annualized cost to the Federal Government:

Not applicable.

15. Change in burden:

Former Burden: 4,656 hours.

Current Burden: 160 hours.

Difference: - 4,496 hours.

The decrease in burden is due to the decrease in the number of institutions originating reverse mortgages.

16. *Information regarding collections whose results are planned to be published for statistical use:*

Not applicable. This information will not be published for statistical use.

17. *Display of expiration date:*

Not applicable.

18. *Exceptions to certification statement:*

None.

B. Collections of Information Employing Statistical Methods.

Not applicable.