

SUPPORTING STATEMENT
RECORDKEEPING, REPORTING AND DISCLOSURE REQUIREMENTS
IN CONNECTION WITH REGULATION Z
(OMB No. 3064-0082)

INTRODUCTION

The Federal Deposit Insurance Corporation (“FDIC”) is requesting OMB approval to revise and extend the information collection covering recordkeeping, reporting and disclosure requirements imposed by Consumer Financial Protection Bureau (CFPB) Truth-in-Lending regulation (formerly Federal Reserve Regulation Z) for those institutions impacted by the regulation over which the FDIC has enforcement authority. This information collection was previously approved under Control Number 3064-0082 and the approval currently expires on February 28, 2018.

A. Justification

1. Circumstances and Need

The requirements for this collection are contained in CFPB’s regulation implementing the Truth-in-Lending Act (Regulation Z) (12 CFR Part 1026) Regulation Z – Truth in Lending, issued by the Consumer Financial Protection Bureau (“CFPB”). Regulation Z is issued under authority of 15 U.S.C. § 1604 and implements the Truth in Lending Act (“TILA”), 15 U.S.C. §§ 1601 et seq.

This regulation prescribes uniform methods for computing the cost of credit, the disclosure of credit terms and costs, the resolution of errors and imposes various other recordkeeping, reporting and disclosure requirements. The FDIC has enforcement authority on the requirements of the CFPB’s Regulation over the financial institutions it supervises. This information collection captures the recordkeeping, reporting and disclosure burdens of Regulation Z on FDIC-supervised institutions.

The information collection is being revised to account for revisions and changes made to Regulation Z by the CFPB since this information collection was last submitted by the FDIC to OMB for clearance.

2. Use of Information Collected

Regulation Z promotes the informed use of consumer credit by ensuring adequate disclosure of the costs and terms of credit to consumers. The Regulation imposes primarily third-party disclosure requirements on affected creditors and is intended to provide consumers meaningful and useful information about the terms and costs of consumer credit products to allow them to make informed decisions about which product best suits their needs. The Regulation also contains certain

recordkeeping and reporting requirements intended to facilitate compliance supervision by regulators.

3. Use of Technology to Reduce Burden

The Regulation Z information collection consists primarily of third party disclosures. Institutions may provide electronic disclosures consistent with the Electronic Signatures in Global and National Commerce Act, 15 U.S.C. §§ 7001 et seq., and 12 CFR Part 1026.

4. Efforts to Identify Duplication

Disclosure, recordkeeping and reporting are required when specified events occur and their content does not overlap with other requirements.

5. Minimizing the Burden on Small Businesses

Generally, TILA requires that the disclosures be made notwithstanding the size of the institution. The FRB provides model forms to ease the compliance burden for small institutions.

6. Consequence of Less Frequent Collections

The recordkeeping and disclosure requirements are event based and may not be made less frequently consistent with the underlying statute.

7. Special Circumstances

None.

8. Consultation with Persons Outside the FDIC

A Federal Register notice seeking comment on the FDIC's proposal to extend this information collection was published on December 7, 2017 (82 FR 57751). No comments were received.

9. Payment or Gifts to Respondents

None.

10. Confidentiality

Any information collected by the FDIC will be kept private to the extent permitted by law.

11. Questions of a Sensitive Nature

No questions of a sensitive nature are included in this collection

12. Estimated Annual Burden and Associated Cost

The total estimated annual burden is 2,395,630 hours (36 hours estimated implementation burden, plus 2,395,594 hours estimated ongoing burden). The burden estimate is detailed on the following tables:

Implementation (one-time) Burden Estimate							
Open-End Credit Products							
	Obligation to Respond /Type of Burden	Estimated Number of Respondents¹	Estimated Average Number of Credit Accounts	Frequency of Response	Number of Responses	Estimated Time per Response (Minutes)	Total Estimated Annual Burden (Hours)
<ul style="list-style-type: none"> • Not Home-Secured Open-End Credit Plans <ul style="list-style-type: none"> ○ Credit and Charge Card Provisions 							
Timely Settlement of Estate Debts (1026.11(c)(1)) Written Policies and Procedures	Mandatory Recordkeeping	1	N/A	1	1	480.00	8
Ability to Pay (1026.51(a)(ii)) Written Policies and Procedures	Mandatory Recordkeeping	1	N/A	1	1	480.00	8
Mortgage Products (Open and Closed-End)							
<ul style="list-style-type: none"> • Valuation Independence <ul style="list-style-type: none"> ○ Mandatory Reporting 							
Implementation of Policies and Procedures (1026.42(g))	Mandatory Recordkeeping	1	N/A	1	0	1,200.00	20
Total Estimated Implementation Burden							36 Hours

Ongoing Burden Estimate							
Open-End Credit Products							
	Obligation to Respond	Estimated Number of	Estimated Average	Frequency of	Number of Responses	Estimated Time per Response	Total Estimated Annual Burden

¹ FDIC estimates that all existing FDIC-supervised institutions have implemented the policies and procedures required by Regulation Z and will only face the estimated ongoing (transaction) burdens reflected in the Ongoing Burden Estimate table. The respondent count of 1 is intended as a placeholder for the associated burden estimate to account for any institution(s) that may become subject to the information collection requirements in the future .

	/Type of Burden	Respondents	Number of Credit Accounts	Response		(Minutes)	(Hours)
• Not Home-Secured Open-End Credit Plans							
o General Disclosure Rules for Not Home-Secured Open-End Credit Plans							
Credit and Charge Card Applications and Solicitations (1026.60)	Mandatory Disclosure	634	N/A	1	634	480.00	5,072
Account Opening Disclosures (1026.6(b))	Mandatory Disclosure	634	N/A	1	634	720.00	7,608
Periodic Statements (1026.7(b))	Mandatory Disclosure	634	N/A	12	7,608	480.00	60,864
Annual Statement of Billing Rights (1026.9(a)(1))	Mandatory Disclosure	317	N/A	1	317	480.00	2,536
Alternative Summary Statement of Billing Rights (1026.9(a)(2))	Voluntary Disclosure	317	N/A	12	3,804	480.00	30,432
Change in Terms Disclosures (1026.9(b) through (h))	Mandatory Disclosure	634	N/A	1	634	480.00	5,072
o Credit and Charge Card Provisions							
Timely Settlement of Estate Debts (1026.11(c)(2))	Mandatory Disclosure	634	428	1	271,352	5.00	22,613
Ability to Pay (1026.51)	Mandatory Recordkeeping	634	N/A	1	634	720.00	7,608
College Student Credit Annual Report (1026.57(d))	Mandatory Reporting	634	N/A	1	634	480.00	5,072
Submission of Credit Card Agreements (1026.58(c))	Mandatory Reporting	634	N/A	4	2,536	180.00	7,608
Internet Posting of Credit Card Agreements (1026.58(d))	Mandatory Disclosure	634	N/A	4	2,536	360.00	15,216
Individual Credit Card Agreements (1026.58(e))	Mandatory Disclosure	634	125	1	79,250	15.00	19,813
• Home Equity Open-End Credit Plans (HELOC)							
o General Disclosure Rules for HELOC's							
Application Disclosures (1026.40)	Mandatory Disclosure	2,717	N/A	1	2,717	720.00	32,604
Account Opening Disclosures (1026.6(a))	Mandatory Disclosure	2,717	N/A	1	2,717	720.00	32,604
Periodic Statements (1026.7(a))	Mandatory Disclosure	2,717	N/A	1	2,717	480.00	21,736
Annual Statement of Billing Rights (1026.9(a)(1))	Mandatory Disclosure	2,717	N/A	1	2,717	480.00	21,736
Alternative Summary Statement of Billing Rights (1026.9(a)(2))	Voluntary Disclosure	2,717	N/A	1	2,717	480.00	21,736

Change in Terms Disclosures (1026.9(b) through (h))	Mandatory Disclosure	2,717	N/A	1	2,717	480.00	21,736
Notice to Restrict Credit (1026.9(c) (1)(iii); .40(f)(3)(i) and (vi))	Mandatory Disclosure	2,717	N/A	1	2,717	120.00	5,434
• All Open-End Credit Plans							
Error Resolution (1026.13)	Mandatory Disclosure	3,624	2,963	1	10,737,912	1.0	178,965
Closed-End Credit Products							
	Obligation to Respond /Type of Burden	Estimated Number of Respondents	Estimated Average Number of Credit Accounts	Frequency of Response	Number of Responses	Estimated Time per Response (Minutes)	Total Estimated Annual Burden (Hours)
• General Rules for Closed-End Credit							
Other than Real Estate, Home-Secured and Private Education Loans (1026.17 and .18)	Mandatory Disclosure	1	N/A	1	1	720.00	12
• Closed-End Mortgages							
o Application and Consummation							
Loan Estimate (1026.19(e); and .37)	Mandatory Disclosure	3,628	N/A	1	3,628	480.00	29,024
Closing Disclosure (1026.19(f); and .38)	Mandatory Disclosure	3,628	N/A	1	3,628	480.00	29,024
Record Retention of Disclosures (1026.19(e), (f); .37; and .38)	Mandatory Recordkeeping	3,628	N/A	1	3,628	18.00	1,088
o Post-Consummation Disclosures							
Interest Rate and Payment Summary (1026.18(s))	Mandatory Disclosure	3,628	N/A	1	3,628	2,400.00	145,120
No Guarantee to Refinance Statement (1026.18(t))	Mandatory Disclosure	3,628	N/A	1	3,628	480.00	29,024
ARMs Rate Adjustments with Payment Change Disclosures (1026.20(c))	Mandatory Disclosure	3,628	N/A	1	3,628	90.00	5,442
Initial Rate Adjustment Disclosure for ARMs (1026.20(d))	Mandatory Disclosure	3,628	N/A	1	3,628	120.00	7,256
Escrow Cancellation Notice (1026.20(e))	Mandatory Disclosure	3,628	N/A	1	3,628	480.00	29,024
Periodic Statements (1026.41)	Mandatory Disclosure	3,628	N/A	1	3,628	480.00	29,024

o Ability to Repay Requirements

Minimum Standards (1026.43(c) through (f))	Mandatory Recordkeeping	3,628	926	1	3,359,528	15.00	839,882
Prepayment Penalties (1026.43(g))	Mandatory Disclosure	3,628	16	1	58,048	12.00	11,610

Mortgage Products (Open and Closed-End)

	Obligation to Respond /Type of Burden	Estimated Number of Respondents	Estimated Average Number of Credit Accounts	Frequency of Response	Number of Responses	Estimated Time per Response (Minutes)	Total Estimated Annual Burden (Hours)
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• Mortgage Servicing Disclosures

o Payoff Statements

Payoff Statements (1026.36(c)(3))	Mandatory Disclosure	3,628	N/A	1	3,628	480.00	29,024
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o Notice of Sale or Transfer

Notice of Sale or Transfer (1026.39)	Mandatory Disclosure	3,628	N/A	1	3,628	480.00	29,204
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• Valuation Independence

o Mandatory Reporting

Reporting Appraiser Noncompliance (1026.42(g))	Mandatory Reporting	3,628	1	1	3,628	10.00	605
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Reverse and High-Cost Mortgages

	Obligation to Respond /Type of Burden	Estimated Number of Respondents	Estimated Average Number of Credit Accounts	Frequency of Response	Number of Responses	Estimated Time per Response (Minutes)	Total Estimated Annual Burden (Hours)
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• Reverse Mortgages

o Reverse Mortgage Disclosures

Reverse Mortgage Disclosures (1026.31(c)(2) and .33)	Mandatory Disclosure	14	N/A	1	14	1,440.00	336
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• High-Cost Mortgage Loans

o HOEPA Disclosures and Notice

HOEPA Disclosures and Notice (1026.32(c))	Mandatory Disclosure	3,628	N/A	1	3,628	14.00	847
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Private Education Loans

	Obligation to Respond /Type of Burden	Estimated Number of Respondents	Estimated Average Number of Credit Accounts	Frequency of Response	Number of Responses	Estimated Time per Response (Minutes)	Total Estimated Annual Burden (Hours)
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- **Initial Disclosures**

- **Application and Solicitation Disclosures**

Application or Solicitation Disclosures (1026.47(a))	Mandatory Disclosure	3,561	N/A	1	3,561	3,600.00	213,660
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- **Approval Disclosures**

Approval Disclosures (1026.47(b))	Mandatory Disclosure	3,561	N/A	1	3,561	3,600.00	213,660
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- **Final Disclosures**

Final Disclosures (1026.47(c))	Mandatory Disclosure	3,561	N/A	1	3,561	3600.00	213,660
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Advertising Rules

	Obligation to Respond /Type of Burden	Estimated Number of Respondents	Estimated Average Number of Credit Accounts	Frequency of Response	Number of Responses	Estimated Time per Response (Minutes)	Total Estimated Annual Burden (Hours)
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- **All Credit Types**

- **Open-End Credit**

Open-End Credit (1026.16)	Mandatory Disclosure	3,624	5	1	18,120	20.00	6,040
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- **Closed-End Credit**

Closed-End Credit (1026.24)	Mandatory Disclosure	3,628	5	1	18,140	20.00	6,047
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Record Retention

	Obligation to Respond /Type of Burden	Estimated Number of Respondents	Estimated Average Number of Credit Accounts	Frequency of Response	Number of Responses	Estimated Time per Response (Minutes)	Total Estimated Annual Burden (Hours)
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• **Evidence of Compliance**

Regulation Z in General (1026.25)	Mandatory Recordkeeping	3,652	N/A	1	3,652	18.00	1,096
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Total Estimated Ongoing Burden	2,395,594 Hours
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Total Estimated Annual Burden	2,395,630 Hours
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The estimated annual labor cost to FDIC supervised institutions is \$89, 623,572. The estimate is based on the following factors:

Inflation and Benefit Adjusted Wages according to the BLS Specific Occupational Employment and Wage Estimates (May 2016), Employer Cost of Employee Compensation (Sep 2017), and the BLS CPI-U (Dec 2017)	
Implementation Burden	
<i>Occupation</i>	<i>Inflation and Benefit Adjusted Wage (Sep 2017)</i>
Top Executives (111000)	\$133.97
Legal Occupations (230000)	\$137.93
Software Developers and Programmers (151130)	\$94.76
Average Implementation Burden Wage	\$122.22
On-going Burden	
<i>Occupation</i>	<i>Inflation and Benefit Adjusted Wage (Sep 2017)</i>
Information and Record Clerks, All Other (434161)	\$37.41

Source: Bureau of Labor Statistics (BLS), December 2017.

Implementation burden is estimated to be \$4.400 (\$122.22 X 36). Ongoing burden is estimated to be \$89,619,172 (\$37.41 X 2,395,594).

13. Capital/Start-up and Operation/Maintenance Cost

None.

14. Cost to Government

None.

15. Reason for Change in Burden

N/A

16. Publication

There is no publication of the information reported.

17. Display of Expiration Dates

Not applicable to these disclosures.

18. Exceptions to Certification

None.

B. STATISTICAL METHODS

Not applicable.