

**Supporting Statement  
Record and Disclosure Requirements  
CFPB Regulations B, C, E, M, Z, CC, and DD  
FRB Regulation CC  
OMB Control No. 1557-0176**

**A. Justification.**

**1. *Circumstances that make collection necessary:***

This collection covers the Consumer Financial Protection Bureau's (CFPB) Regulations B, C, E, M, Z, and DD and the Board of Governors of the Federal Reserve System's (FRB) Regulation CC. The burden imposed by these regulations was assigned to OCC pursuant to a 1984 agreement between the FRB and OMB. The OCC is seeking OMB approval to extend the expiration date for these collections.

This revision incorporates changes to the Regulation C portion of this collection. Any changes to the remainder of the collection (Regulations B, C, E, M, Z, CC, and DD) will be made through future revisions.

Regulation C,<sup>1</sup> which implements the Home Mortgage Disclosure Act<sup>2</sup> (HMDA) enacted in 1975, requires certain depository and non-depository institutions that make certain mortgage loans to collect, report, and disclose data about originations and purchases of mortgage loans, as well as loan applications that do not result in originations. HMDA generates loan data that can be used to: (1) help determine whether financial institutions are serving the housing needs of their communities; (2) assist public officials in distributing public-sector investments so as to attract private investment to areas where it is needed; and (3) assist in identifying possible discriminatory lending patterns and enforcing anti-discrimination statutes.

The CFPB published a final rule on October 28, 2015, that expanded the data collected and reported under HMDA, as implemented by Regulation C, and published a final rule on September 13, 2017, with additional corrections and clarifications (final rules). The final rules also modified the types of lenders and loans covered under Regulation C. First, for data collected in 2017, and reported in 2018, the rule simply reduces the number of institutions covered under Regulation C because only depositories originating more than 25 closed end loans must report. Then, starting January 1, 2018, an institution will collect expanded data under HMDA if it either originates 25 or more closed-end mortgage loans or 500 or more open-end lines of credit secured by a dwelling in each of the two preceding years, in addition to meeting other criteria. These institutions will begin reporting the expanded HMDA data in 2019. Starting in 2020, an institution will collect data on open-end lines of credit if it originates more than 100 open-end lines of credit secured by a dwelling in each of the two preceding years (and report that open-end lines of credit data beginning in 2021). An institution also will collect and report covered loans and applications quarterly if it received a total of at least 60,000 covered loans and applications in the preceding calendar year. An covered institution must report a

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<sup>1</sup> 12 CFR part 1003.

<sup>2</sup> 12 U.S.C. 2801-2811.

covered loan if it has met the loan origination volume threshold for that loan category (open-end or closed-end); an institution that is not required to report data may voluntarily do so subject to the limitations enumerated in 12 CFR 1002.5(b).

In addition, the types of loans covered under Regulation C will change under the final rules beginning in 2018. Covered institutions will be required to collect and report any mortgage loan secured by a dwelling, including open-end lines of credit, regardless of the loan's purpose if they meet the volume thresholds. Dwelling-secured loans that are made principally for a commercial or business purpose, as well as agricultural-purpose loans and other specified loans will be excluded.

HMDA requires covered institutions to collect, record, report, and disclose information about their mortgage lending activity. Currently, Regulation C requires a covered institution to collect and report data about:

- Each application or loan, including the application date; the action taken and the date of that action; the loan amount; the loan type (for example, government guaranteed or not) and purpose (for example, home purchase); and, if the loan is sold, the type of purchaser;
- Each applicant or borrower, including ethnicity, race, sex, and income; and
- Each property, including location and occupancy status.

Beginning in 2018, the final rules will require collection of additional data, which covered institutions will report in 2019:

- Additional information about the applicant or borrower, such as age and credit score;
- Information about the loan pricing, such as the borrower's total cost to obtain a mortgage, temporary introductory rates, and borrower-paid origination charges;
- Information about loan features, such as the loan term, prepayment penalties, or non-amortizing features (such as interest only or balloon payments); and
- Additional information about property securing the loan, such as property value and property type.

In addition, existing requirements, including the requirements for collection and reporting of information regarding an applicant's or borrower's ethnicity, race, and sex are being amended.

## **2. *Use of the information:***

### Regulation C – 12 CFR 1003 - Home Mortgage Disclosure

This regulation implements the requirements of the Home Mortgage Disclosure Act (12 U.S.C. 2801 *et seq.*). The regulation requires certain financial institutions to report data to the appropriate Federal agency about home purchase loans, home improvement loans, and refinancings that the financial institutions originate or purchase, or for which they receive certain applications and to disclose certain data to the public.

### Regulation B – 12 CFR 1002 - Equal Credit Opportunity Act

This regulation implements the Equal Credit Opportunity Act (15 U.S.C. 1601 *et seq.*). The regulation prohibits lenders from discriminating against credit applicants on a prohibited basis, establishes rules for retaining records of credit applications and collecting information about an applicant's race and other personal characteristics in applications for certain dwelling-related loans, requires lenders to report the credit history in the names of both spouses on an account, requires lenders to provide applicants with copies of appraisal reports in connection with credit transactions, and requires notification of action taken on a credit application.

### Regulation E – 12 CFR 1005 - Electronic Fund Transfers

This regulation carries out the purposes of the Electronic Fund Transfer Act (15 U.S.C. 1693 *et seq.*), which establishes the basic rights, liabilities, and responsibilities of consumers who use electronic fund transfers and remittance transfer services and the financial institutions or other persons that offer these services.

### Regulation M – 12 CFR 1013 - Consumer Leasing

This regulation implements the consumer leasing provisions of the Truth in Lending Act (12 U.S.C. 1601 *et seq.*). The regulation (i) ensures that lessees of personal property receive meaningful disclosures that enable them to compare lease terms with other leases and, where appropriate, with credit transactions; (ii) limits the amount of balloon payments in consumer lease transactions; and (iii) provides for accurate disclosure of lease terms in advertising.

### Regulation Z – 12 CFR 1026 - Truth in Lending

This regulation implements the Truth in Lending Act (15 U.S.C. 1601 *et seq.*) and certain provisions of the Real Estate Settlement Procedures Act (12 U.S.C. 2601 *et seq.*). The regulation prescribes uniform methods for computing the cost of credit, disclosing credit terms and costs, and resolving errors on certain types of credit accounts.

### Regulation CC – 12 CFR 229 - Availability of Funds and Collection of Checks

This regulation implements the Expedited Funds Availability Act (12 U.S.C. 4001-4010) and the Check Clearing for the 21<sup>st</sup> Century Act (12 U.S.C. 5001-5018). The regulation contains rules regarding the duty of banks to make funds deposited into accounts available for withdrawal, including availability schedules and the disclosure of funds availability practices; rules to expedite the collection and return of checks by banks; and general provisions relating to substitute checks, including the disclosure and notices that banks must provide.

### Regulation DD – 12 CFR 1030 - Truth in Savings

This regulation implements the Truth in Savings Act (12 U.S.C. 4301 *et seq.*). The regulation requires depository institutions to provide disclosures so that consumers can meaningfully compare accounts at different depository institutions.

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

Institutions may use any technology that is reasonable and appropriate for its circumstances.

**4. Efforts to identify duplication:**

These requirements and disclosures are unique and cover an institution's particular circumstances. No duplication with other regulatory requirements exists.

**5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.**

There are no alternatives that would result in further lowering the burden on small institutions, while still accomplishing the purposes of the rules.

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

The public would not be protected adequately and negative safety and soundness consequences could result.

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

Not applicable. The collection is conducted in accordance with the guidelines in 5 CFR part 1320.

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

The OCC issued a notice for 60 days of comment regarding this revised collection on September 26, 2017, 82 FR 44873. No comments were received.

**9. Payment to respondents:**

There is no payment to respondents.

**10. Any assurance of confidentiality:**

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

**11. Justification for questions of a sensitive nature:**

No personally identifiable information is collected. However, questions of a sensitive nature are included under the monitoring information requirement. For example, institutions must ask applicants for home loans to indicate their sex and race/national origin. If the applicant

chooses not to furnish the information, the bank must note the applicant's race and sex based on visual observation or surname.

The regulations are designed to identify possible discriminatory practices. Such discrimination would tend to occur on how the lender perceives the applicant, rather than how the applicant characterizes himself or herself.

While an applicant's color or sex may be evident when they come to inquire about an application, a practice of discrimination cannot be ascertained unless the examiner has the information on the applicant's race or sex. Also, without this information in each file, corrective action for the class of persons who may have been discriminated against cannot be undertaken.

The collection by the OCC of sex and race/national origin information is exempted under the supervisory agency provision of 12 U.S.C. 3413(b), which permits the examination by or disclosure to any such agency of financial records or information in the exercise of its supervisory, regulatory, or monetary functions.

**12. Burden estimate:**

Regulation C:

2016 HMDA Burden Estimates –

- 702 institutions with greater than 25 originations and less than \$10 Billion in assets.
  - o 4 institutions had no information in the originations field.
- 61 – tier three - low complexity institutions
- 633 – tier two – medium complexity institutions
- 8 – tier-one – high complexity institutions

|  | <b>Number of Respondents</b> | <b>Annual frequency</b> | <b>Estimated average hours per response</b> | <b>Estimated annual burden hours</b> |
|--|------------------------------|-------------------------|---|--------------------------------------|
| <b>2017 – For revisions effective 2017 Update policies, procedures, and systems (one-time)</b> |                              |                         |   |                                      |
| <i>HMDA Reporters</i>  | 702                          | 1                       | 4,821                                       | 3,384,342                            |
|  |                              |                         |   |                                      |
| <b>2018 – For revisions in data collection effective in 2018</b>                               |                              |                         |   |                                      |

|  | <b>Number of Respondents</b> | <b>Annual frequency</b> | <b>Estimated average hours per response</b> | <b>Estimated annual burden hours</b> |
|--|------------------------------|-------------------------|---|--------------------------------------|
| <b>Collection of reportable data</b>                             |                              |                         |   |                                      |
| <i>Tier 1</i>  | 8                            | 1                       | 6216  | 49,728                               |
| <i>Tier 2</i>  | 633                          | 1                       | 1,283                                       | 812,139                              |
| <i>Tier 3</i>  | 61                           | 1                       | 111   | 6,771                                |
|  |                              |                         |   |                                      |
| <b>Recordkeeping</b>   |                              |                         |   |                                      |
| <i>Tier 1</i>  | 8                            | 1                       | 4,301                                       | 34,408                               |
| <i>Tier 2</i>  | 633                          | 1                       | 86  | 54,438                               |
| <i>Tier 3</i>  | 61                           | 1                       | 28  | 1,708                                |
|  |                              |                         |   |                                      |
| <b>Disclosure</b>  |                              |                         |   |                                      |
| <i>Tier 1</i>  | 8                            | 1                       | 5   | 40                                   |
| <i>Tier 2</i>  | 633                          | 1                       | 0   | 0                                    |
| <i>Tier 3</i>  | 61                           | 1                       | 0   | 0                                    |
|  |                              |                         |   |                                      |
| <b>2019 – For revisions in data collection effective in 2019</b> |                              |                         |   |                                      |
| <b>Collection of reportable data</b>                             |                              |                         |   |                                      |
| <i>Tier 1</i>  | 8                            | 1                       | 6216  | 49,728                               |
| <i>Tier 2</i>  | 529                          | 1                       | 1,283                                       | 812,139                              |
| <i>Tier 3</i>  | 61                           | 1                       | 111   | 6,771                                |
|  |                              |                         |   |                                      |
| <b>Recordkeeping</b>   |                              |                         |   |                                      |
| <i>Tier 1</i>  | 8                            | 1                       | 4,301                                       | 34,408                               |
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| <i>Tier 2</i>  | 633                          | 1                       | 0   | 0                                    |
| <i>Tier 3</i>  | 61                           | 1                       | 0   | 0                                    |
|  |                              |                         |   |                                      |

2017:

Estimated Number of Respondents: 702.  
Estimated Annual Burden: 3,384,342 hours.

2018:

Estimated Number of Respondents: 702.  
Estimated Annual Burden: 959,232 hours.

2019:

Estimated Number of Respondents: 702.  
Estimated Annual Burden: 959,232 hours.

Regulation B:

1,390 respondents @ 1 response each = 1,390 responses  
1,390 responses @ 174 hours each = 241,860 burden hours

Regulation E:

1,390 respondents @ 1 response each = 1,390 responses  
1,390 responses @ 625 hours each = 868,750 burden hours

Regulation M:

1,390 respondents @ 1 response each = 1,390 responses  
1,390 responses @ 50 hours each = 69,500 burden hours

Regulation Z:

1,390 respondents @ 1 response each = 1,390 responses  
1,390 responses @ 1,458 hours each = 2,026,620 burden hours

Regulation CC:

1,390 respondents @ 1 response/record each = 1,390 responses  
1,390 responses @ 191 hours each = 265,490 burden hours

Regulation DD:

1,390 respondents @ 1 response each = 1,390 responses  
1,390 responses @ 150 hours each = 208,500 burden hours

Total:

**13. Estimate of annualized cost to respondents:**

Not applicable.

**14. Estimate of annualized costs to the government:**

Not applicable.

**15. Change in burden:**

Former Burden: 3,887,872 Burden Hours.  
Current Burden: 4,639,952 Burden Hours.  
Difference: +752,080 Burden Hours.

The increase in burden hours is due to the changes to Regulation C.

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

The OCC has no plans to publish the information for statistical use.

**17. Exceptions to certification statement.**

None.

**B. Collections of information employing statistical methods.**

Not applicable.