

**BUREAU OF CONSUMER FINANCIAL PROTECTION**

**PAPERWORK REDUCTION ACT SUBMISSION  
INFORMATION COLLECTION REQUEST**

**SUPPORTING STATEMENT PART A**

**GRAMM-LEACH-BLILEY ACT  
(REGULATION P) 12 CFR 1016  
(OMB CONTROL NUMBER: 3170-0010)**

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**OMB TERMS OF CLEARANCE:**

Not applicable. The Office of Management and Budget (OMB) did not provide Terms of Clearance when approved this information collection on September 22, 2015.

**ABSTRACT:**

Section 502 of the Gramm-Leach-Bliley Act (GLBA) (Pub. L. 106-102) generally prohibits a financial institution from sharing nonpublic personal information about a consumer with nonaffiliated third parties unless the institution satisfies various disclosure requirements (including provision of initial privacy notices, annual notices, notices of revisions to the institution's privacy policy, and opt-out notices) and the consumer has not elected to opt out of the information sharing. The Bureau of Consumer Financial Protection (Bureau) promulgated regulation P 12 CFR 1016 to implement the GLB Act's notice requirements and restrictions on a financial institution's ability to disclose nonpublic personal information about consumers to nonaffiliated third parties.

**JUSTIFICATION**

**1. Circumstances Necessitating the Data Collection**

Regulation P implements the requirements of GLBA to provide consumers with financial institutions' privacy policies and practices, as well as describing when the consumer's information may be shared with nonaffiliated third parties, and provides a method for consumers to prevent disclosure of their information to non-affiliated third parties by "opting out" of that disclosure. Regulation P details the specifics of how GLBA should be implemented, which companies and situations this applies to, and the method of delivering the information to consumers.

Regulation P includes model forms that can be used to comply with the disclosure requirements of the GLBA and Regulation P, although use of the model forms is not required. *See Appendix to Regulation P.*

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

Consumers use the privacy notice to determine whether they want personal information disclosed to third parties that are not affiliated with the institution. Further, consumers use the opt-out notice mechanism to advise the institution of their wishes regarding disclosure of their personal information. Institutions use the opt-out information to determine the wishes of their consumers and to act in accordance with their customers' instructions.

The Bureau, the Federal Trade Commission (FTC), and the Prudential Regulators all enforce against the requirements of Regulation P to ensure privacy notices are being mailed out and that consumers' preferences are being followed with respect to opting out of information-sharing.

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

The information collections are disclosures, filings from consumers, and internal institution records. Institutions are not prohibited from using any technology that facilitates consumer understanding and response, and that permits review, as appropriate, by examiners.

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

The collections of information are unique and cover the institution's particular circumstances. No duplication exists with any other federal information collection or program.

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

The information collection requirements of the regulation do not impose any significant burden beyond that required by statute. In addition, as directed by section 728 of the "Financial Services Regulatory Relief Act of 2006" (Pub. L. No. 109-351), section 1016.2 and Appendix A provide a model form for the disclosures, which may be used at the option of the financial institution. Use of the model form should minimize the burden of this collection. Further, in 2014, the Bureau issued a rule Published October 28, 2014 at 79 FR 64057, to allow financial institutions to use an alternative delivery method to provide annual privacy notices through posting the annual notices on their Web sites if they meet certain conditions. Use of the alternative delivery method should also minimize the burden of this collection.

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

The information collection requirements closely follow the GLB Act, which requires institutions to provide an annual notice of their privacy policies and practices to their customers, and to permit customers to opt-out of the disclosure of their personal information. There is no flexibility under the GLB Act to collect the information less frequently.

## **7. Circumstances Requiring Special Information Collection**

Not applicable. The collections of information in Regulation P are consistent with the applicable guidelines contained in 5 CFR 1320.5(d)(2).

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

In accordance with 5 CFR §1320.8(d)(1), the Bureau has published a notice in the *Federal Register* allowing the public 60 days to comment on the proposed extension (renewal) of this currently approved collection of information. No comments were received in response to that notice. Additionally, in accordance with 5 CFR §1320.5(a)(1)(iv) the Bureau also published a notice in the *Federal Register* allowing the public 30 days to comment on the submission of this information collection request to the Office of Management and Budget.

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

No payments or gifts are provided to respondents.

## **10. Assurances of Confidentiality**

The recordkeeping and written disclosure requirements contain private information about consumers who opt out of disclosure of their information to third-parties. Such information is protected by the Right to Financial Privacy Act, 12 U.S.C. 3401 *et seq.* Such records may also constitute confidential customer lists. However, there is no part of the rule that mandates information collection by the Bureau.

To the extent that information covered by a requirement of Regulation P is collected by the Bureau for law enforcement purposes, the confidentiality provisions of the Bureau's rules on Disclosure of Records and Information, 12 CFR Part 1070, would apply.

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

Regulation P requires institutions to ascertain whether consumers want to opt out of third-party information sharing, which can constitute a collection of sensitive information. This requirement is necessary to ensure consumers are given an option about what is done with their personal financial information, and is used for consumers' protection and privacy.

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

### Exhibit 1: Burden Hour Summary

Information Collection Requirement	All Bureau Respondents (DI and Non-DI)						Bureau Portion of Burden	
	No. of Respondents	Type of Respondent	Frequency	Annual Responses	Average Response Time	Annual Burden Hours	Annual Responses	Annual Burden Hours
Initial Notice §1016.4(a)	29,544	Institutions	.07125	2,105	14.50	30,523	1,055	15,298
Annual and Revised Notices and Opt-Out Notice §1016.5(d), §1016.7, §1016.8	29,544	Institutions	1	29,544	5.293	156,376	14,844	104,264
Consumer Opt-Out Notice §1016.7	433,216	Individuals	1	433,216	0.25	108,304	433,216	108,304
Changes to Privacy Policies and Disclosures (Ongoing) §1016.8	29,544	Institutions	.0142	420	10.00	4,200	210	2,100
Creating Disclosure Documents	29,544	Institutions	.07	2,100	3.00	6,300	1,050	3,150
Reviewing Internal GLBA Policies (Initial)	29,544	Institutions	.071	2,100	20.00	42,000	1,050	21,000
Reviewing Internal GLBA Policies (Ongoing)	29,544	Institutions	.995	29,400	4.00	117,600	14,700	58,800
<b>Totals:</b>	<b>462,760*</b>	//////////	//////////	<b>498,885</b>	//////////	<b>465,303</b>	<b>466,125</b>	<b>312,916</b>

\* The total estimated number of respondents is 29,544 institutions plus 433,216 individuals.

For Paperwork Reduction Act (PRA) burden calculation purposes, the Bureau assumes all burden for depository institutions with more than \$10 billion in assets as well as their affiliates, for which Bureau has primary enforcement authority with respect to regulation P. In addition, the Bureau and Federal Trade Commission (FTC) share enforcement authority for those non-depository institutions subject to the Bureau’s regulation P.

Associated Labor Costs: \$12,788,877

The Bureau used an overall hourly average wage of \$40.87 for the burden associated with these information collections, which multiplied by the Bureau burden hours amounts to

\$14,046,529 in labor costs. Specifically, the Bureau estimates on average each hour requires 20% administration at \$18.21/hour, 45% management at \$39.64/hour, 20% senior management at \$50.34/hour, and 15% legal at \$57.33/hour.<sup>1</sup>

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

There are no additional materials costs for this regulation.

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

As the Bureau does not collect any information, there are no additional costs to the Federal Government.

**15. Program Changes or Adjustments**

**Exhibit 2: Summary of Burden Changes table**

	<b>Total Respondents</b>	<b>Annual Responses</b>	<b>Burden Hours</b>	<b>Cost Burden</b>
Total Requested	462,760	466,125	312,916	\$0
Current OMB Inventory	29,554	466,125	366,134	\$0
<b>Difference (+/-)</b>	<b>+433,216</b>	<b>0</b>	<b>-53,218</b>	<b>\$0</b>
Program Change	0	0	-53,218	\$0
Discretionary	0	0	0	\$0
Due to New Statute	0	0	-53,218	\$0
Violation		0	0	\$0
Adjustment	+433,216	0	0	\$0

The Burden changes reflected above are as a result of a final rule published August 17<sup>th</sup> 2018 in which the Bureau published a final rule (83 FR 40945) making changes to regulation P in order to conform with legislative changes to the GLBA. The final rule implements a December 2015 statutory amendment to the GLBA providing an exception to this annual notice requirement for financial institutions that meet certain conditions. The Bureau believes that this amendment results in reduced burden under Regulation P.

The change in total respondents is due to the Bureau correcting an earlier clerical error in its previous filing by accounting for the number of individuals who respond to the opt-out notice. The total number of respondents has not changed; it is just now being accurately accounted.

<sup>1</sup> See respectively <http://www.bls.gov/ooh/office-and-administrative-support/secretaries-and-administrative-assistants.htm>, <http://www.bls.gov/ooh/business-and-financial/management-analysts.htm>, <http://www.bls.gov/ooh/management/top-executives.htm>, <http://www.bls.gov/ooh/legal/lawyers.htm>.

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

There are no plans to provide any publications based on the information collection of this regulation.

**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 Federal Register Notice of the submission. Inasmuch as all forms associated with this collection are model forms and therefore their use is voluntary, the display of the OMB control number would not be appropriate on them.

**18. Exceptions to the Certification Requirement**

The Bureau certifies that 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 these certification requirements.

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