

**Supporting Statement for the
Reporting, Recordkeeping, and Disclosure Requirements Associated with the
Home Mortgage Disclosure Act Loan/Application Register required by Regulation C
(FR HMDA LAR; OMB No. 7100-0247)**

Summary

The Board of Governors of the Federal Reserve System (Board), under delegated authority by the Office of Management and Budget (OMB), proposes to extend for three years, with revision, the Reporting, Recordkeeping, and Disclosure Requirements Associated with the Home Mortgage Disclosure Act (HMDA) Loan/Application Register Required by Regulation C.¹ Although the Bureau of Consumer Financial Protection (Bureau) is now responsible for issuing HMDA regulations, the Paperwork Reduction Act (PRA) requires the Board to renew every three years the information collections required of institutions the Board supervises.

HMDA was enacted in 1975 and is implemented by Regulation C. Generally, HMDA 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loans, as well as loan applications that do not result in originations (for example, applications that are denied or withdrawn). HMDA was enacted to provide regulators and the public with 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.² Supervisory agencies, state and local public officials, and members of the public use the data to aid in the enforcement of the Community Reinvestment Act, the Equal Credit Opportunity Act, and the Fair Housing Act and to aid in identifying areas for residential redevelopment and rehabilitation.

Consistent with the Bureau's final rules amending Regulation C, effective January 1, 2018, as well as recent statutory amendments to HMDA that were enacted on May 24, 2018³, the Board proposes to revise the FR HMDA LAR by expanding the data reported and by modifying the types of institutions required to report and the types of loans required to be reported. The Board accounts for the paperwork burden associated with the regulation only for Board-supervised institutions.⁴ For those institutions, the current annual paperwork burden for the FR HMDA LAR is estimated to be 511,035 hours. With the proposed revisions, the paperwork burden will increase to 673,474 hours, of which 88,880 hours are associated with one-time burden.

¹ HMDA is codified at 12 U.S.C. 2801-2810; Regulation C is located at 12 CFR Part 1003.

² See 12 CFR 1003.1(b).

³ On May 24, 2018, the President signed into law the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA). Section 104(a) of EGRRCPA amends HMDA to exempt certain insured depository institutions and insured credit unions from collecting and reporting those data fields that were required by HMDA sections 304(b)(5) and (6), as implemented by the Bureau's final rules.

⁴ Other federal agencies account for the paperwork burden that Regulation C imposes on the institutions for which they have administrative enforcement authority. These other federal agencies are the Department of Housing and Urban Development (HUD), the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Administration (NCUA), the Office of the Comptroller of the Currency (OCC), and the Bureau.

Background and Justification

On July 21, 2011, rulemaking authority for HMDA was transferred from the Board to the Bureau under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act). The Dodd-Frank Act also transferred HMDA supervisory and enforcement authority for large depository institutions over \$10 billion from the Board, FDIC, OCC, and NCUA to the Bureau.

On October 15, 2015, the Bureau issued final rules⁵ that expand the data collected and reported under the HMDA, which is implemented by Regulation C (final rules).⁶ The final rules also modify the types of lenders and loans covered under Regulation C. Information collections under the changes made by the final rules began in January 2018.

On May 24, 2018, the President signed into law EGRRCPA. Section 104(a) of EGRRCPA amends HMDA to exempt certain insured depository institutions and insured credit unions from collecting and reporting those data fields that were required by HMDA sections 304(b)(5) and (6), as implemented by the Bureau's final rules in Regulation C. Section 104(a) of EGRRCPA further provides that an institution is not eligible for this partial exemption, and therefore must collect and report these data points, if it received ratings of "needs to improve" in its two most recent Community Reinvestment Act (CRA) examinations or "substantial noncompliance" in its most recent CRA examination. On July 5, 2018, the Bureau issued a statement that generally outlined the availability of the partial exemption for eligible institutions, and stated that additional guidance on the applicability of section 104(a) of EGRRCPA to HMDA data collected in 2018 would be forthcoming.⁷

Description of Information Collection

HMDA, implemented by Regulation C, requires covered institutions to collect, record, report, and disclose information about their mortgage lending activity.

Information Collection Prior to January 1, 2018

Prior to January 1, 2018, Regulation C required an institution to report loan data under HMDA if it has at least one home or branch office in a metropolitan statistical area (MSA) and also meets certain coverage tests. The coverage tests differed based on whether the lender was a depository or a non-depository lender:

⁵ See 80 FR 66127 (Oct. 28, 2015).

⁶ These data fields are discussed in the "Description of Information Collection" below.

⁷ This statement is discussed further in the "Description of Information Collection" below. See Bureau of Consumer Financial Protection Issues Statement on the Implementation of the Economic Growth, Regulatory Relief, and Consumer Protection Act Amendments to the Home Mortgage Disclosure Act at <https://www.consumerfinance.gov/about-us/newsroom/bureau-consumer-financial-protection-issues-statement-implementation-economic-growth-regulatory-relief-and-consumer-protection-act-amendments-home-mortgage-disclosure-act/> (July 5, 2018) (Bureau Statement).

- Depository institutions were covered by HMDA if they had assets exceeding \$44 million⁸ as of December 31, 2016 and originated at least one first-lien home purchase or home refinance loan in the preceding year (regardless of other home secured loans).⁹
- Non-depository mortgage lenders were covered by HMDA if they had assets exceeding \$10 million or originated at least 100 home purchase or home refinance loans in the preceding year.¹⁰

Prior to January 1, 2018, Regulation C required lenders to report only closed-end, dwelling-secured applications and loans that are made for the purpose of home purchase, home improvement or refinancing. It also required lenders to report home improvement loans that are not secured by the dwelling, and reporting of home equity lines of credit (HELOCs) was optional.

Prior to January 1, 2018, Regulation C required a covered institution to collect and report data points 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
- each property, including location and occupancy status

Reporting institutions historically have been submitting HMDA/LAR data to the Board, which has been collecting the data on behalf of the applicable Federal supervisory agency. Then, the data was combined and aggregated for each Metropolitan Statistical Area (MSA). Aggregated data reflecting information reported under the Regulation C requirements prior to January 1, 2018, (that is, *not* the requirements of the final rules) is publicly available.¹¹

Proposed Revisions to the Information Collection

Consistent with the Bureau's final rules amending Regulation C, effective January 1, 2018, as well as recent statutory amendments to HMDA that were enacted on May 24, 2018,¹² the Board proposes to revise the FR HMDA LAR by expanding the data reported and by

⁸ The asset-size threshold amount is adjusted annually based on the annual percentage change of the Consumer Price Index for Urban Wage Earners and Clerical Workers.

⁹ In addition, the depository institution must be federally insured or regulated, or the loan must be related to a federal loan program or intended for sale to one of the Government-sponsored enterprises (GSEs).

¹⁰ The non-depository lender's home purchase and home refinance loans must also equal at least 10 percent of its loan origination volume or equal at least \$25 million.

¹¹ The disclosure statements and aggregate data for 2016 data will be produced by Board staff on behalf of the FFIEC until December 31, 2017. Beginning January 1, 2018, HMDA data will begin to be reported to and disclosed by the Bureau. For example, institutions will report 2017 data to the Bureau by March 1, 2018. In addition, beginning in 2018, institutions will be required to use a new web-based system to report their HMDA data.

¹² As described above, section 104(a) of EGRRCPA amends HMDA to exempt certain insured depository institutions and insured credit unions from collecting and reporting those data fields that were required by HMDA sections 304(b)(5) and (6), as implemented by the Bureau's final rules.

modifying the types of institutions required to report and the types of loans required to be reported. Beginning January 1, 2018, an institution that is otherwise not eligible for a partial exemption under section 104(a) of EGRRCPA, as discussed further below, is required to collect and report all required data points required under HMDA if it *either* originates 25 or more¹³ closed-end mortgage loans or 500 or more open-end lines of credit¹⁴ secured by a dwelling in each of the two preceding years, in addition to meeting other applicable coverage criteria.¹⁵ For these institutions, the final rules standardize the loan volume threshold used to determine coverage of both depository and non-depository institutions. An institution will only report a covered loan if it has met the loan origination threshold for that loan category (open-end or closed-end).

The final rules generally will require covered institutions to collect and report any mortgage loan secured by a dwelling, including open-end lines of credit, regardless of the loan's purpose. However, the final rules exclude unsecured home-improvement loans (which historically were required to be reported), dwelling-secured loans that are made principally for a commercial or business purpose, agricultural-purpose loans, and other specifically excluded loans.¹⁶

The final rules also will require collection of additional data points. For covered institutions that are otherwise not eligible for the partial exemption under section 104(a) of EGRRCPA, as discussed further below, these additional data points will be reported in 2019. These new fields include

- 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)
- additional information about property securing the loan, such as property value and property type

In addition, the Bureau's final rules amend several existing requirements, including the requirements for collection and reporting of information regarding an applicant's or borrower's ethnicity, race and sex.¹⁷

¹³ Small depository institutions that originated fewer than 25 closed-end mortgage loans in either 2015 or 2016 ceased HMDA data collection on January 1, 2017.

¹⁴ Under the 2015 final rules, financial institutions would have been required to report home-equity lines of credit if they made 100 or more such loans in each of the last two years. On August 24, 2017, the Bureau amended the final rules to increase the institutional coverage and loan threshold from 100 to 500 or more loans through calendar years 2018 and 2019. See 82 FR 43088 (Sept. 13, 2017). This temporary increase in the threshold will provide time for the Bureau to consider whether to initiate another rulemaking to address the appropriate level for the threshold for data collected beginning January 1, 2020.

¹⁵ Asset size and geographic location coverage tests also apply. See 12 CFR 1003.2(g).

¹⁶ See 12 CFR 1003.2(e).

¹⁷ For the complete list of data points, see 12 CFR 1003.4.

Effective May 24, 2018, an institution that is eligible for the partial exemption under section 104(a) of EGRRCPA will only need to report a subset of the data points required under HMDA if it originates fewer than 500 closed-end mortgage loans in each of the two preceding calendar years.¹⁸ Consistent with section 104(a) of EGRRCPA and the Bureau's recent statement addressing the applicability of this statutory amendment to HMDA,¹⁹ the Board estimates that institutions eligible for the partial exemption will report approximately half the data points currently required by the Bureau's final rules on the loans described above.²⁰

The Bureau will collect the HMDA LAR data on behalf of the applicable Federal supervisory agency, and the data will be combined and aggregated for each Metropolitan Statistical Area (MSA). Certain aggregated data will continue to be publicly available, though the Bureau has yet to determine what the information collected in the new data fields will be disclosed once the final rules are fully effective.

Respondent Panel

The FR HMDA LAR panel comprises the following types of institutions, except those that are supervised by the Bureau: state member banks, their subsidiaries, subsidiaries of bank holding companies, U.S. branches and agencies of foreign banks (other than federal branches, federal agencies, and insured state branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25A of the Federal Reserve Act (12 U.S.C. 601-604a; 611-631). The Bureau supervises, among other institutions, insured depository institutions with over \$10 billion in assets and their affiliates (including affiliates that are themselves depository institutions regardless of asset size and subsidiaries of such affiliates).

¹⁸ Section 104(a) of EGRRCPA also provides a partial exemption to the data collection and reporting requirements under HMDA for institutions that originate fewer than 500 open-end lines of credit in each of the two preceding calendar years and otherwise meet the applicable performance evaluation rating standards under CRA. However, institutions eligible for this partial exemption are already completely exempt from all data collection and reporting requirements under the temporary exemption provided by the Bureau's final rules until January 1, 2020.

¹⁹ See Bureau Statement, which provides that for loans subject to the partial exemption, "the requirements of [HMDA section 304(b)(5) and (6)] shall not apply . . . [therefore,] institutions are exempt from the collection, recording, and reporting requirements for some, but not all, of the data points specified in current Regulation C."

²⁰ Section 104(a) of EGRRCPA does not define the terms "closed-end loan" or "open-end line of credit." However, for purposes of estimating burden, the Board is making the assumption that these terms will be used consistent with how they are currently defined in Regulation C. See 12 CFR 1002.2(d) and (o), which defines the term "closed-end loan" and "open-end line of credit," respectively. Further, for purposes of estimating burden, the Board is making the assumption that the loan volume thresholds for closed-end loans will be determined consistent with how such loan thresholds are currently used under Regulation C to determine if a transaction must be reported. See 12 CFR 1003.3(c)(11) and (12), which provides how to determine the loan threshold volume for closed-end loan reporters and open-end line of credit reporters, respectively.

Time Schedule for Information Collection

Recordkeeping Requirements

Information Collection Prior to January 1, 2018

Under Regulation C, a covered institution must record data from mortgage lending applications and loans, which it then reports to the applicable Federal supervisory agency, discussed below in “Reporting Requirements.” Prior to January 1, 2018, an institution was required to record data on each application and loan within 30 days after the end of the calendar quarter during which the institution took final action.

A covered institution was also subject to recordkeeping requirements after data is reported. For three years, a covered institution was required to retain its LAR, the document which contains the recorded data on each application and loan.

Proposed Revisions to the Information Collection

These requirements will continue to apply after the Bureau’s final rules are effective, though covered institutions will be required to collect and record additional data points, as discussed above in the “Description of Information Collection.”²¹

Reporting Requirements

Information Collection Prior to January 1, 2018

Prior to January 1, 2018, a covered institution was required to submit to the applicable Federal supervisory agency a completed LAR. Each covered institution was required to submit annually the completed LAR to the applicable Federal supervisory agency by March 1st of the year following the year covered by the LAR.

Proposed Revisions to the Information Collection

The annual reporting requirement, described above, will continue once the final rules become effective. However, in 2019, covered institutions must submit the completed LAR electronically to the Bureau, which will collect the data on behalf of the applicable Federal supervisory agency, using a new web-based submission tool.²² In addition, effective first quarter 2020, the final rules require institutions with a high volume of lending to also electronically submit their HMDA data for the first three quarters of the year on a quarterly basis, within 60 days of the end of each quarter.²³ Those institutions subject to quarterly reporting requirements

²¹ The requirement to record data within 30 days is in 12 CFR 1003.4(f) (previously 12 CFR 1003.4(a)). The requirement to retain the LAR for three years is in 12 CFR 1003.5(d).

²² For institutions eligible for the partial exemption under section 104(a) of EGRRCPA and filing HMDA data collected in 2018, EGRRCPA will not affect the format of the LARs. If an institution does not need to report a specified data point under the partial exemption, then the institution will enter an exemption code for the field, which will be specified by the Bureau in forthcoming guidance. See Bureau Statement.

²³ See 12 CFR 1003.5(a). The first quarterly submission will be due May 30, 2020.

(quarterly reporters) will be those that reported 60,000 or more applications and covered loans (combined) in the preceding calendar year, excluding purchased loans. Quarterly reporters are not required to certify their quarterly reports for accuracy, but continue to be required to submit certified HMDA data on an annual basis (*i.e.*, March 1st annual report). In addition, all reporting institutions that submit incorrect information may be required to correct and resubmit the information.

Disclosure Requirements

Information Collection Prior to January 1, 2018

Prior to January 1, 2018, the Federal Financial Institutions Examination Council (FFIEC) prepared an individual disclosure statement for each financial institution using the HMDA data that each financial institution submitted on its LAR, and provided the statement to the covered institution. Within three business days of receiving its public disclosure statement from the FFIEC, the institution was required to make a copy available to the public at its home office. In addition, within 10 business days of receiving its public disclosure statement, the institution was required to either make the public disclosure statement available in at least one branch office in every MSA and Metropolitan Division (Division) where it had an office or post a notice in at least one branch office per MSA and Division where it had an office stating that the statement is available upon written request. If requested, the covered institution need only provide the portion of data relating to the MSA or Division for which the request is made. A covered institution was required to make each public disclosure statement available to the public for five years. In addition, for three years, a covered institution was required to provide to the public, upon request, its modified LAR, which was the institution's LAR that has certain information redacted to protect the privacy of its applicants and borrowers.

Proposed Revisions to the Information Collection

In 2018, covered institutions will no longer be required to provide either the public disclosure statement or modified LAR upon request. Instead, under the final rules, covered institutions must provide a notice for five years that states its public disclosure statement and modified LAR are available on the Bureau's website. Regulation C provides sample language that covered institutions can use for these purposes.²⁴

Legal Status

The FR HMDA LAR is authorized pursuant to section 304(j) of HMDA (12 U.S.C. 2803(j)), which requires that the Bureau prescribe by regulation the form of loan application register information that must be reported by covered financial institutions. Section 1003.5 of Regulation C implements this statutory provision, and requires covered financial institutions to submit reports to their appropriate federal agency. Section 304(h)(2)(A) of HMDA (12 U.S.C. 2803(h)(2)(A)) designates the Board as the appropriate agency with respect to the entities described above. The FR HMDA LAR is mandatory.

²⁴ See 12 CFR 1003.5(e).

HMDA requires the information collected on the FR HMDA LAR to be made available to the general public in the form proscribed by the Bureau. The Bureau is authorized to redact or modify the scope of the information before it is publicly disclosed to protect the privacy of loan applicants and to protect depository institutions from liability under any federal or state privacy law (12 U.S.C. 2803(j)(2)(B)). The redacted information may be kept confidential under exemption 6 of the Freedom and Information Act, which protects from release information that, if disclosed, would “constitute a clearly unwarranted invasion of personal privacy” (5 U.S.C. 552(b)(6)).

Consultation Outside the Agency

The Board consulted with the Bureau regarding the estimated burden of this information collection. On August 28, 2018, the Board published an initial notice in the *Federal Register* (83 FR 43868) requesting public comment for 60 days on the proposal to extend with revision, the FR HMDA LAR. The comment period for this notice expired on October 29, 2018. The Board did not receive any comments. On November 21, 2018, the Board published a final notice in the *Federal Register* (83 FR 58773). The revisions will be implemented as proposed.

Estimate of Respondent Burden

The Board relied on the Bureau’s burden estimate methodology for all proposed burden calculations herein.

For the purpose of calculating burden, the Bureau placed institutions into one of three tiers, and the Board followed this approach. Tier 1 denotes an institution with the highest level of complexity, tier 2 denotes a representative financial institution with a moderate level of complexity, and tier 3 denotes a representative financial institution with the lowest level of complexity.

The Bureau assumed that, for closed-end reporters, the tier 1 representative financial institution has 50,000 records, the tier 2 representative has 1,000 records, and the tier 3 representative has 50 records on the HMDA LAR.

For open-end reporting, the Bureau adopted the three tier approach and most of the key assumptions used for closed-end reporting above, with two modifications. First, for the representative low-complexity open-end reporter, the Bureau assumed that the number of open-end lines of credit applications would be 150. This was set to both accommodate the threshold of 100 open-end lines of credit and to reasonably reflect the likely distribution among the smallest open-end reporters based on the Bureau’s estimated number of likely open-end reporters and their volumes. Second, for the representative high-complexity open-end reporter, the Bureau assumed that the number of open-end line of credit applications would be 30,000. This reflects a reasonable distribution among the largest open-end reporters based on the Bureau’s estimated number of likely open-end reporters and their volumes. The Bureau assumed that the number of open-end line of credit applications for the representative moderate-complexity open-end reporter would still be 1,000, just as for the moderate-complexity closed-end reporter.

Current burden

Reporting

The Bureau considers most tasks that financial institutions undertake to gather and report data as covered by the reporting requirements. Under the Bureau's methodology, the reporting requirements encompass transcribing data, resolving reportability questions, transferring data to HMDA Management System (HMS), geocoding, standard annual edit and internal checks, researching questions, resolving question responses, checking post-submission edits, filing post-submission documents, creating public loan application register, distributing public loan application register, distributing disclosure report, using vendor HMS software, training, internal audits, external audits, exam preparation, and exam assistance. Therefore, the Bureau estimated that tier 3, tier 2, and tier 1 financial institutions spend approximately 64 hours, 986 hours, and 4,182 hours per year meeting the reporting requirements, respectively.

Recordkeeping

Under the Bureau's methodology, the recordkeeping requirement encompasses the requirements that financial institutions maintain HMDA data for three years and disclosure statements for five years, maintain loan application register information for three years, and update information regarding reportable transactions quarterly. To maintain data, disclosure statements, and loan application register information, the Bureau believes the primary time burden is the time needed to copy this information to electronic data storage devices, such as a hard drive or disk. The calculation of the burden hours for recordkeeping requirements is based on the estimated cost of transcribing the data. The Bureau estimated that tier 3, tier 2, and tier 1 financial institutions spend approximately 8 hours, 83 hours, and 3,489 hours per year transcribing data, respectively.

Disclosure

The calculation of burden hours for disclosure requirements is based on the estimated cost of creating a modified LAR, distributing the modified loan/application register, and creating the notice for obtaining the disclosure statements. The Bureau estimated that tier 3, tier 2, and tier 1 financial institutions spend approximately 4 hours, 11 hours, and 26 hours per year, respectively, meeting these requirements.

Proposed burden

Reporting

The Bureau estimated that annually-reporting tier 3, tier 2, and tier 1 financial institutions would spend approximately 107 hours, 1,232 hours, and 5,969 hours per year meeting reporting requirements, respectively. However, an institution that is eligible for the partial exemption under section 104(a) of EGRRCPA is only required to report a subset of the data points required under HMDA if it originates fewer than 500 closed-end mortgage loans in each of the two preceding calendar years. For Board-supervised institutions, this partial exemption applies to all

Tier 3 institutions and a majority of the Tier 2 institutions (Tier 3 Crapo or Tier 2 Crapo, respectively). For these institutions, the Board believes maintaining the current burden most closely reflects the burden associated with this subset of data points.

Further, financial institutions with 60,000 covered loans and applications, combined, excluding purchased covered loans, that will be required to report quarterly are tier 1 institutions. For these institutions, the Bureau estimated that it would require 934 burden hours in addition to the proposed burden hours associated with annual reporting.

Recordkeeping

The calculation of the burden hours for recordkeeping requirements is based on the estimated cost of transcribing the data. The Bureau estimated that tier 3, tier 2, and tier 1 financial institutions will spend approximately 27 hours, 83 hours, and 4,130 hours per year transcribing data, respectively.

Disclosure

The calculation of burden hours for disclosure requirements is based on the estimated cost of creating a modified loan/application register, distributing the modified loan/application register, and creating the notice for obtaining the disclosure statements. The Bureau estimated that tier 3, tier 2, and tier 1 financial institutions would spend approximately zero hours, zero hours, and five hours per year, respectively, meeting these requirements. The estimated time burden would be the same for quarterly reporters and annual reporters.

The current annual paperwork burden for the FR HMDA LAR is estimated to be 511,035 hours. The Board estimates that, with the proposed revisions, the total annual burden for the institutions it supervises would increase to 673,474 hours, 88,880 hours of which are associated with one-time burden, as shown in the table below. The current total burden for the FR HMDA LAR represents 4.8 percent of total Federal Reserve System annual burden and with the proposed revisions, which include one-time burden for purchasing or updating software necessary to comply with the new rule, would increase to 6.3 percent of total Federal Reserve System burden.

FR HMDA LAR	<i>Number of respondents²⁵</i>	<i>Annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours²⁶</i>
Current				
Reporting				
Tier 1	3	1	4,182	12,546
Tier 2	448	1	986	441,728
Tier 3	54	1	64	3,456
Recordkeeping				
Tier 1	3	1	3,489	10,467
Tier 2	448	1	83	37,184
Tier 3	54	1	8	432
Disclosure				
Tier 1	3	1	26	78
Tier 2	448	1	11	4,928
Tier 3	54	1	4	<u>216</u>
	<i>Total</i>			511,035
Proposed				
Update policies, procedures, and systems (one-time)	505	1	176	88,880
Reporting				
Tier 1 Annual Reporter	2	1	5,969	11,938
Tier 1 Quarterly Reporter	1	4	6,903	27,612
Tier 2	148	1	1,232	182,336
Tier 2 Crapo	300	1	986	295,800
Tier 3 Crapo	54	1	64	3,456
Recordkeeping				
Tier 1 Annual Reporter	2	1	4,130	8,260
Tier 1 Quarterly Reporter	1	4	4,130	16,520

²⁵ Of these respondents, 1 Tier 1 (annual) respondent, 259 Tier 2 respondents, and 44 Tier 3 respondents are estimated to be small entities as defined by the Small Business Administration (i.e., entities with \$550 million or less in total assets) www.sba.gov/document/support-table-size-standards.

²⁶ The estimates of proposed burden in the table include reporting of closed-end mortgage loans for all respondents indicated in the number of respondents column, plus reporting of open-end lines of credit for the subset of respondents that will also be required to report open-end lines of credit. The total burden per respondent in the table is total burden divided by number of respondents, and therefore does not reflect the specific burden hours for either respondents that report only closed-end mortgage loans or that report both closed-end mortgage loans and open-end lines of credit.

Tier 2	448	1	83	37,184
Tier 3	54	1	27	1,458
Disclosure²⁷				
Tier 1: Annual Reporter	2	1	5	10
Tier 1: Quarterly Reporter	1	4	5	<u>20</u>
	<i>Total</i>			673,474
	<i>Change</i>			162,439

The current cost to the public²⁸ is estimated to be \$28,643,512 and with the proposed revisions is estimated to increase to \$37,748,218.²⁹

Sensitive Questions

Institutions must generally request that applicants for covered loans provide information about their sex, race, and ethnicity. For applications taken in person, the institution must generally infer the information based on visual observation and surname if an applicant declines to provide the information.³⁰ The purpose of collecting this information is to assist in identifying possible discriminatory lending patterns and enforcing anti-discrimination statutes.

Estimate of Cost to the Federal Reserve System

Effective January 2019, the Bureau is responsible for the collection of all HMDA data. Therefore, the cost to the Federal Reserve System is considered negligible.

²⁷ The Board estimates that the disclosure burden for Tier 2 and Tier 3 institutions is negligible.

²⁸ All respondents of this information collection are considered to be the public.

²⁹ Total cost to the public was estimated using the following formula: percent of staff time, multiplied by annual burden hours, multiplied by hourly rates (30% Office & Administrative Support at \$18, 45% Financial Managers at \$69, 15% Lawyers at \$68, and 10% Chief Executives at \$94). Hourly rates for each occupational group are the (rounded) mean hourly wages from the Bureau of Labor and Statistics (BLS), *Occupational Employment and Wages May 2017*, published March 30, 2018 www.bls.gov/news.release/ocwage.t01.htm. Occupations are defined using the BLS Occupational Classification System, www.bls.gov/soc/.

³⁰ See 12 CFR 1003.4(b).