

**BUREAU OF CONSUMER FINANCIAL PROTECTION PAPERWORK  
REDUCTION ACT SUBMISSION INFORMATION COLLECTION REQUEST**

**SUPPORTING STATEMENT PART A**

**TRUTH IN LENDING ACT (REGULATION Z) 12 CFR 1026  
(OMB CONTROL NUMBER: 3170-0015)**

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When the Office of Management and Budget (OMB) last approved the collections of information under this OMB Control Number, OMB provided the following Terms of Clearance:

*Prior to the renewal of this collection, the Bureau of Consumer Financial Protection (Bureau) will consult with OMB on the placement of OMB control numbers on the model forms included in this collection.*

The Bureau in further consultation with OMB concluded that it was not appropriate to display the OMB control number on Model forms for this collection as the use of such forms were not mandatory, but serve as guides for institutions to create their own disclosure forms.

In addition, while not a formal term of clearance, OMB approved certain amendments to Regulation Z under five additional OMB Control Numbers. This was done to facilitate public understanding of multiple overlapping rule-makings associated with those amendments. However, the public and regulated entities were informed to continue OMB No. 3170-0015 for the information collection requirements contained in Regulation Z. OMB's expectation was that those control numbers would be re-integrated into a single control number covering all of Regulation Z as soon as it was practical. The Bureau, in consultation with OMB, previously transferred the information collections and associated burdens previously approved under OMB Nos. 3170-0023, 3170-0026, 3170-0028, 3170-0031, and 3170-0050 into this OMB number. This renewal requests ICs and burden reflects the reintegration of those Regulation Z collections back into this one OMB number.

**JUSTIFICATION**

**1. Circumstances Necessitating the Data Collection**

The Truth in Lending Act (TILA), 15 U.S.C. 1601 *et seq.*, was enacted to foster comparison credit shopping and informed credit decision making by requiring accurate disclosure of the costs and terms of credit to consumers, and to protect consumers against inaccurate and unfair credit billing practices. Creditors are subject to disclosure and other requirements that apply to open-end credit (*e.g.*, revolving credit or credit lines) and closed-end credit (*e.g.*, installment financing). TILA imposes disclosure requirements on all types of creditors in connection with consumer credit, including mortgage companies, finance companies, retailers, and credit card issuers to ensure that consumers are aware of the terms of financing prior to consummation of the transaction and during the loan term. Before being transferred to the Bureau in 2011, Regulation Z was implemented by the Board of

Governors of the Federal Reserve System (Board).<sup>1</sup> In light of the transfer of the Board’s rulemaking authority for TILA to the Bureau, the Bureau re-codified the Board’s Regulation Z at 12 CFR 1026. The Bureau enforces TILA as to certain creditors, advertisers, and other covered persons.<sup>2</sup> The portions of TILA that contain information collection requirements are summarized below.

### ***Subpart B: Open Ended Credit***

#### **1026.6 Account-opening disclosures.**

##### 1026.6(a) Rules affecting Home Equity Line of Credit (HELOC) plans

For covered home-equity plans, creditors must disclose to consumers to the extent applicable: finance charges, other charges, home-equity plan information, security interests, and statement of billing rights. The account-opening disclosures generally must be given in writing and before the first transaction under the plan.

##### 1026.6(b) Rules affecting open-end (not home-secured) plans.

For non-home-secured plans, a creditor must provide certain account-opening disclosures in the form of a table. A creditor shall disclose in the table specified items including annual percentage rates (APRs), fees for issuance or availability of credit, fixed finance charges, minimum interest charges, transaction charges, grace periods, and penalty fees. Additional account information must be disclosed outside the account-opening table such as security interests and statement of billing rights. The account-opening disclosures generally must be given in writing and before the first transaction under the plan. However the disclosures may be provided after the first transaction if certain conditions are met when the consumer contacts the merchant by phone to purchase goods.

#### **1026.7 Periodic Statements**

##### 1026.7(a) HELOC periodic statements

For covered home-equity plans, a creditor generally is required to mail or deliver a periodic statement for each billing cycle at the end of which an account has a debit or credit balance of more than \$1 or on which a finance charge has been imposed. That periodic statement must include information including previous balances, credit transactions, credits, the APR(s), finance charges and other charges. Section 1026.8 specifies additional disclosures that must be present on this periodic statement as applicable

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<sup>1</sup> 12 CFR 226

<sup>2</sup> On November 22, 2016, the Bureau issued a final rule that amends Regulation E, which implements the Electronic Fund Transfer Act (EFTA), Regulation Z, which implements the Truth in Lending Act (TILA), and the official interpretation to the regulations, to provide comprehensive protections for consumers who use “prepaid accounts” (the Prepaid Rule). Under the Prepaid Rule, a prepaid card that is a hybrid prepaid-credit card is a credit card under Regulation Z with respect to a covered separate credit feature (which generally is a separate credit feature where credit is offered by the prepaid account issuer, its affiliate, or its business partner and the credit can be accessed in the course of a transaction conducted with a prepaid card). 12 CFR 1026.2(a)(15)(i); 1026.61(a)(1). Regulation Z applies to the covered separate credit features as applicable, and Regulation Z provisions that apply to credit cards will apply to hybrid prepaid-credit cards as applicable. The Bureau believes that most covered separate credit features will meet the definition of “open-end credit” and will not be home-secured. 12 CFR 1026.2(a)(20).

### 1026.7(b) Other open-ended periodic statements

For non-home-secured plans, a creditor generally must mail or deliver a periodic statement for each billing cycle at the end of which an account has a debit or credit balance of more than \$1 or on which a finance charge has been imposed. That periodic statement must include information including previous balances, interest and fees, credit transactions, credits, and APR(s). For non-home-secured credit card accounts, the periodic statement generally must also describe how long it would take the consumer—and how much it would cost—to pay the full balance on the account by paying only the required minimum monthly payment and if the minimum payment does not amortize the balance or results in negative amortization. For non-home-secured credit card accounts, the periodic statements generally must also contain a conspicuous warning of the amount of any late fee and any penalty rate that may be imposed if the minimum payment is not received by the due date. Section 1026.8 specifies additional disclosures that must be present on this periodic statement as applicable

## **1026.9 Subsequent Disclosure Requirements**

### 1026.9(a) Furnishing statement of billing rights

At least once per calendar year, at intervals of not less than 6 months nor more than 18 months, creditors must send a statement of billing rights, which outlines the consumer's rights and the creditor's responsibilities for billing errors. The form must be sent either to all consumers or to each consumer entitled to receive a periodic statement for any one billing cycle. As an alternative to this annual disclosure of the billing rights statement, creditors may provide on or with each periodic statement an abbreviated version of billing rights statement.

### 1026.9(b) Disclosures for supplemental credit access devices and additional features

Except for checks discussed below if after mailing or delivering the account opening disclosures, a creditor adds a credit feature to the consumer's account or mails or delivers to the consumer a credit device with the finance charges as those previously disclosed, the creditor generally must disclose, before the consumer uses the feature or device for the first time, that it is for use in obtaining credit under the terms previously disclosed. Additionally, except for checks discussed below, whenever a credit feature is added or a credit device is mailed or delivered, and the finance charge terms for the feature or device differ from disclosures previously given, the creditor must give the consumer new account opening disclosures applicable to the added feature or device before the consumer uses the feature or device for the first time.

For non-home-secured plans, if checks that can be used to access a credit card account are provided and the finance charge terms for the checks differ from the finance charge terms previously disclosed, creditors must disclose certain information in a tabular format, such as the APR(s) (including promotional rates) and the transaction fees that apply to the checks and whether or not a grace period will apply to the checks.

### 1026.9(c)(1) Change in terms for HELOCs and other open-ended accounts

For covered home-equity plans, whenever any term required to be disclosed under the account-opening disclosures is changed or the required minimum periodic payment is increased, the creditor generally must mail or deliver written notice of the change to each consumer who may be affected. A change-in-terms notice is not required when a change involves a reduction of any component of a finance or other charge or when the change results from an agreement involving a court proceeding.

If the creditor prohibits additional extensions of credit or reduces the credit limit, the creditor must mail or deliver written notice of the action to each consumer who will be affected and must contain specific reasons for the action.

For non-home-secured plans, when a significant change in account terms is made, a creditor generally must provide a written notice of the change prior to the effective date of the change to each consumer who may be affected. For non-secured credit card accounts, with respect to certain changes, the change in terms notice also generally must: notify the consumer of the right to reject the change before its effective date, provide instructions for rejecting the change, and, if applicable, contain a statement that if the consumer rejects the change, his ability to use the account for further advances will be terminated or suspended. The 45-day timing requirement does not apply if the consumer agrees to the particular change; but the notice still must be given before the effective date of the change.

If a creditor decreases the credit limit on an account, advance notice of the decrease must be provided orally or in writing before an over-the-limit fee or a penalty rate can be imposed. A creditor is not required to provide a change in terms notice when certain conditions apply.

#### 1026.9(e) Disclosures upon renewal of credit or charge card account

A card issuer generally must provide notice in writing to the consumer in advance of renewing a covered credit or charge card account if the issuer imposes any annual or other periodic fee to renew the account, or the issuer has changed certain terms on the account and has not previously disclosed that change to the cardholder. The notice must disclose certain account terms that would apply if the account were renewed, and how and when the cardholder may terminate credit availability under the account to avoid paying the renewal fee, if applicable.

#### 1026.9(f) Change in credit card account insurance provider

If a credit card issuer plans to change insurance providers for all or part of the outstanding balance of a covered credit card account, the card issuer must mail or deliver a written notice of the change to the consumer. The notice must include information about any increase in the rate or substantial decrease in coverage that will result from the change and a statement that the cardholder may discontinue the insurance.

A credit card issuer must also provide the consumer with a written notice after the change occurs. This notice must include information on the name and address of the new insurance provider, a copy of the new policy or basic terms of the insurance, and a statement that the cardholder may discontinue the insurance.

#### 1026.9(g) Increase in rates due to delinquency or default or as a penalty

For non-home-secured plans, a creditor must provide a written notice to each consumer who may be affected when a rate is increased due to the consumer's delinquency or default or a rate is increased as a penalty for one or more events specified in the account agreement, such as making a late payment or obtaining an extension of credit that exceeds the credit limit. The notice must be provided at least 45-days prior to the effective date of the increase, and must be provided after the occurrence of the events that triggered the increase. The notice must include a statement that the delinquency or default rate or penalty rate, as applicable, has been triggered, and the date on which the delinquency or default rate or penalty rate will apply.

#### **1026.11 Treatment of credit balances; account termination.**

##### 1026.11(c) Timely settlement of estate debts

For non-home-secured credit card accounts, upon request by the administrator of an estate, a card issuer must provide the administrator with the amount of the balance on a deceased consumer's account in a timely manner.

#### **1026.12 Special credit card provisions.**

##### 1026.12(b) Liability of cardholder for unauthorized use

In order for a cardholder to be considered liable for unauthorized use of a credit card, the card issuer must comply with certain requirements, including providing adequate notice of the cardholder's maximum potential liability and of means by which the card issuer may be notified of loss or theft of the card. The notice must state that the cardholder's liability shall not exceed \$50 (or any lesser amount) and that the cardholder may give oral or written notification and describe a means of notification (e.g., a telephone number, an address or both).

##### 1026.12(e) Prompt notification of returns and credit of refunds

For covered credit card accounts, when a covered creditor other than the card issuer accepts a return of property or forgives a debt for services that is to be reflected as a credit on the consumer's credit card account, the creditor must transmit a credit statement to the card issuer accepting the return or forgiving the debt. The card issuer must credit the amount of the refund to the consumer's account. If a covered creditor other than a card issuer routinely gives cash refunds to consumers paying in cash, the creditor shall also give credit or cash refunds to consumers using credit cards, unless it discloses at the time the transaction is consummated that credit or cash refunds for returns are not given

#### **1026.13 Billing error resolution notice and timing**

If a creditor receives a billing error notice from the consumer, the creditor generally must mail or deliver written acknowledgment to the consumer and generally must resolve the dispute. If a creditor determines that a billing error occurred as asserted, the creditor must correct the billing error and credit the consumer's account as applicable and mail or deliver a correction notice to the consumer. If a creditor, after conducting a reasonable investigation, determines that no billing error occurred or that a different billing error occurred from that asserted, the creditor must mail or deliver to explanation that sets forth the reasons for the creditor's belief that the billing error alleged by the consumer is incorrect in whole or in part, furnish any requested copies of evidence of the consumer's

indebtedness, and if a different billing error occurred, correct the billing error as applicable. If a creditor determines that a consumer owes all or part of the disputed amount, the creditor must promptly notify the consumer in writing of the time when payment is due and the portion of the disputed amount and related finance or other charges that the consumer still owes.

### **1026.15 Right of rescission.**

#### 1026.15(b) Notice of right to rescind

For home-secured plans subject to rescission (unless the right has been waived by the consumer), a creditor generally must deliver two copies of the notice of the right to rescind to each consumer entitled to rescind. The notice must identify the transaction or occurrence and disclose the retention or acquisition of a security interest in the consumer's principal dwelling, the consumer's right to rescind, how to exercise the right to rescind, the effects of rescission, and the date the rescission period expires.

### **1026.16 Advertising**

#### 1026.16(b) Required disclosures in advertisements

For home-equity and non-home-secured plans, if certain terms are disclosed in an advertisement, those terms trigger additional disclosures. Generally, if advertisements contain certain terms that are required to be disclosed in the account-opening disclosures, the advertisement must also contain: any minimum, fixed, transaction, activity or similar charge that is a finance charge that could be imposed, any APR that may be applied, and any membership or participation fee that could be imposed. If an advertisement for credit to finance the purchase of goods or services specified in the advertisement states a periodic payment amount, the advertisement also must state the total of payments and the time period to repay the obligation, assuming that the consumer pays only the periodic payment amount advertised.

#### 1026.16(d) Advertisement of terms that require additional disclosures for HELOCs

There are certain terms that, if they appear in an advertisement for a home-equity plan, require certain additional disclosures. Those terms that trigger additional disclosures are, generally: certain terms required to be disclosed in the account-opening disclosures, payment terms, discounted and premium rates, balloon payments, tax implications, and promotional rates and payments.

#### 1026.16(g) Promotional rates and fees

If an advertisement for a non-home-secured plan states a promotional rate or fee, the advertisement must also state when the promotional rate or promotional fee will end and the annual percentage rate or fee that will apply after the end of the promotional period.

#### 1026.16(h) Deferred interest or similar offers

For advertisements of non-home-secured plans, if a deferred interest offer is advertised, the deferred interest period must be stated in the advertisement. If the phrase "no interest" or similar term regarding the possible avoidance of interest obligations under the deferred interest program is stated,

the term “if paid in full” must also be stated. The advertisement also must include a statement that interest will be charged from the date the consumer becomes obligated for the balance or transaction subject to the deferred interest offer if the balance or transaction is not paid in full within the deferred interest period; and a statement, if applicable, that interest will be charged from the date the consumer incurs the balance or transaction subject to the deferred interest offer if the account is in default before the end of the deferred interest period.

### ***Subpart C: Closed-End Credit***

#### **1026.18 Content of Disclosures**

For covered non-mortgage and certain mortgage closed-end credit transactions, a creditor must disclose the following information as applicable: creditor, amount financed, itemization of amount financed, finance charge, annual percentage rate, variable rate, payment schedule, total of payments, demand feature, total sale price, prepayment penalty, late payment charges, security interest, insurance and debt cancellation, certain security interest charges, contract reference, assumption policy, required deposit, interest rate and payment summary for mortgage transactions, and “no-guarantee-to-refinance” statement.”

#### **1026.19 Certain mortgage and variable-rate transactions.**

##### **1026.19(a) Mortgage transactions subject to RESPA**

For reverse mortgage transactions subject to TILA and RESPA that are secured by the consumer's dwelling, a creditor must provide the consumer with good faith estimate disclosures. The disclosures must include, when applicable, information such as: the amount financed, the finance charge, the annual percentage rate, payment schedule, total of payments, demand feature, total sale price, information on prepayment, late payment charges, assumption policy, required deposit, and the interest rate. The creditor must deliver or mail the good faith estimates no later than the seventh business day before consummation of the transaction (although the consumer may waive this seven day waiting period). If the disclosed annual percentage rate becomes inaccurate the creditor must provide corrected disclosures before consummation.

##### **1026.19(b) and (d) Certain variable-rate transactions**

If the annual percentage rate may increase after consummation in a transaction secured by the consumer's principal dwelling with a term greater than one year, certain disclosures must be provided at the time of application or before the consumer pays a non-refundable fee, whichever is earlier. The disclosures include, but are not limited to: the booklet titled Consumer Handbook on Adjustable Rate Mortgages, a loan program disclosure for each variable-rate program in which the consumer expresses an interest (that disclosure includes information such as the fact that the interest rate, payment, or term of the loan can change, the index or formula used in making adjustments, an explanation of how the interest rate and payment will be determined, and the frequency of interest rate and payment changes).

Information provided in accordance with variable-rate regulations of other Federal agencies may be substituted for the disclosures required by paragraph (b) of this section.

## 1026.19(e) Mortgage loans - early disclosures (Loan Estimate)

For closed-end consumer credit transactions secured by real property or a cooperative unit (other than reverse mortgages), a creditor is required to provide the consumer with good faith estimates of credit costs and transaction terms on a form called the Loan Estimate after receipt of the consumer's loan application. If any information necessary for an accurate disclosure is unknown, the creditor must make the disclosure based on the best information reasonably available at the time the disclosure is provided to the consumer.

## 1026.19(f) Mortgage loans - final disclosures (Closing Disclosure)

For loans that require a Loan Estimate and that proceed to closing, creditors must provide, before consummation of the loan, a Closing Disclosure, which is a written disclosure reflecting the actual terms of the transaction. Creditors may estimate disclosures using the best information reasonably available when the actual term or cost is not reasonably available to the creditor at the time the disclosure is made. If the actual terms or costs of the transaction change prior to consummation, the creditor must provide a corrected disclosure.

## 1026.19(g) Special information booklet at time of application

For covered mortgage transactions creditors must provide a copy of the special information booklet issued by the Bureau.

**§ 1026.20 Disclosure requirements regarding post-consummation events.**

## 1026.20(c) ARM Notice

For adjustable rate mortgages (ARMs) secured by the borrower's principal residence, a covered creditor, assignee, or servicer is required to make disclosures the first time the interest rate adjusts and each time an interest rate adjustment results in a payment change. The disclosures must, among other things, contain an explanation that the specific time period in which the current interest rate has been in effect is ending and the interest rate and mortgage rate will change, the effective date of the interest rate adjustment and when additional future interest rate adjustments are scheduled to occur, any other changes to loan terms, features, or options taking effect on the same date as the interest rate adjustment, an explanation of how the interest rate and new payment are determined, and the loan balance expected on the date of the interest rate adjustment. The disclosure must also contain a table with information concerning, among other things, interest rates and payments.

## 1026.20(e) Escrow Closing Notice

When the consumer requests cancellation of a covered escrow account, a creditor or servicer must ensure that the consumer receives the Escrow Closing Notice before the consumer's escrow account is closed. If the covered account is cancelled for any other reason, the creditor or servicer must ensure that the consumer receives the Escrow Closing Notice before the consumer's escrow account is closed. Creditors and servicers are not required to provide the notice if the escrow account that is being cancelled was established solely in connection with the consumer's delinquency or default on the underlying debt obligation. Creditors and servicers are not required to provide the notice when the



underlying debt obligation for which an escrow account was established is terminated, including by repayment, refinancing, rescission, and foreclosure.

Creditors and servicers must disclose certain information on the Escrow Closing Notice and may optionally disclose certain additional information. The required information a creditor or servicer must disclose includes but is not limited to: the date on which the account will be closed, the reason why the escrow account will be closed, the consequences of account closure, an itemization of the amount of any fee being charged with the closure, the consequences if the consumer fails to pay property costs, and information regarding whether the option of keeping the escrow account open exists.

### **1026.23 Right of Rescission**

For home-secured plans subject to rescission (unless the right has been waived by the consumer), a creditor generally must deliver two copies of the notice of the right to rescind to each consumer entitled to rescind. The notice must identify the transaction or occurrence and disclose the retention or acquisition of a security interest in the consumer's principal dwelling, the consumer's right to rescind, how to exercise the right to rescind, the effects of rescission, and the date the rescission period expires.

### **1026.24 Advertising**

If an advertisement for credit states specific credit terms, it must state only the terms that actually are or will be offered by the creditor. If an advertisement states a rate of finance charge, it must state the rate as an "annual percentage rate," and if the annual percentage rate may be increased after consummation the advertisement must so indicate. Certain other information about the rate may be provided under limited circumstances. There are certain other "triggering terms" that when stated require additional disclosures.

If an advertisement for credit secured by a dwelling, other than a television or radio advertisement, states: a simple annual rate of interest and more than one simple annual rate of interest will apply over the term of the advertised loan or the amount of any payment, the advertisement must disclose certain additional information about payments and costs.

If an advertisement for a loan secured by the consumer's principal dwelling is distributed in paper form or through the Internet (rather than by radio or television) and the advertisement states that the advertised extension of credit may exceed the fair market value of the dwelling, the advertisement must provide certain information about tax implications.

### ***Subpart D: Miscellaneous***

#### **1026.25 Record Retention requirements**

In general, a creditor must retain evidence of compliance with Regulation Z for two years after the date disclosures are required to be made or action is required to be taken. For records related to requirements for loan originator compensation and consumer credit transactions secured by a dwelling, creditors must retain evidence of compliance with Regulation Z for three years.

Creditors must retain copies of the Closing Disclosure (and all documents related to the Closing Disclosure) for five years after consummation. In addition, if a creditor sells, transfers, or otherwise disposes of its interest in a covered mortgage loan and does not service the mortgage loan, the owner or servicer of the mortgage must retain a copy of the Closing Disclosure for the remainder of the five-year period. For evidence of compliance with the other requirements of 12 CFR 1026.19(e) and (f) (as summarized above and including the Loan Estimate requirements) creditors must maintain records for three years after the later of the date of consummation, the date disclosures are required to be made, or the date the action is required to be taken. Creditors or servicers must retain evidence of compliance with the post-consummation Escrow Closing Notice and Partial Payment Policy Disclosure requirements for two years after the date disclosures are required to be made or action is required to be taken.

Creditors must maintain records of all compensation it pays to a loan originator as well as the compensation agreements that govern those payments for three years after the date of the payments. Covered loan originator organizations must maintain records of all compensation they receive from creditors, consumers, and others and all compensation paid to individual loan originators, as well as the compensation agreements that govern those payments or receipts, for three years after the date of the receipts or payments.

### **1026.26 Use of annual percentage rate in oral disclosures**

If a consumer makes a request orally about the cost of open-end or closed-end credit, a creditor must only state the annual percentage rate or rates, and may also state the periodic rate or rates. For open-end credit, if the annual percentage rate cannot be determined in advance because there are finance charges other than a periodic rate, the creditor must state the corresponding annual percentage rate (the periodic rate multiplied by the number of periods in a year). For closed-end credit, if the annual percentage rate cannot be determined in advance, the creditor must state the annual percentage rate for a sample transaction.

### ***Subpart E: Special Rules for Certain Home Mortgage Transactions***

#### **1026.32 Requirements for high-cost mortgages.**

##### 1026.32(c) Disclosures for high-cost mortgages

For covered high-cost mortgages, the creditor is required to provide several disclosures, including: an acknowledgement statement, the APR, the amount of the regular periodic payment (for closed-end loans), the amount of any balloon payment (for closed-end loans), examples of minimum periodic payments under various scenarios and balloon payments (for open-end loans), the amount borrowed, optional insurance, and the credit limit. If prior to consummation or account opening, if a creditor changes any terms that make the disclosures inaccurate, the creditor must provide new disclosures.<sup>3</sup>

#### **1026.33 Requirements for reverse mortgages.**

##### 1026.33(b) Requirements for reverse mortgage disclosures

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<sup>3</sup> This requirement is found in 1026.31(c).

In a reverse mortgage transaction the creditor must provide certain disclosures, including, but not limited to: a statement that the consumer is not obligated to complete the reverse mortgage transaction merely because the consumer has received the disclosures required by this section or has signed an application for a reverse mortgage loan, the total annual loan cost rates, an itemization of loan terms, charges, the age of the youngest borrower and the appraised property value

#### **1026.34 Prohibited acts or practices in connection with high-cost mortgages.**

1026.34(a) Notice of assignee liability and certification of housing counseling for high-cost mortgages

A creditor must not extend a covered high-cost mortgage to a consumer unless the creditor receives written certification that the consumer has obtained counseling on the advisability of the mortgage from a counselor that is approved to provide such counseling by the Secretary of the U.S. Department of Housing and Urban Development or, if permitted, by a State housing finance authority.

#### **1026.35 Requirements for higher-priced mortgage loans.**

1026.35(c) Requirements for higher-priced mortgage loans (written appraisals)

In general, prior to consummation on a higher-priced mortgage loan, creditors must obtain a written appraisal of the mortgaged property. The appraisal must be performed by a certified or licensed appraiser who conducts a physical visit of the interior of the property. For certain transactions where the seller has not owned the property for more than 90 or 180 days, two written appraisals are required.

Creditors must provide to the consumer a disclosure that the creditor may order and charge the consumer for an appraisal and a copy of any written appraisal performed in connection with a higher-priced mortgage loan. The consumer cannot waive this appraisal requirement.

#### **1026.36 Prohibited acts or practices and certain requirements for credit secured by a dwelling.**

1026.36(c) Prompt payment crediting and payoff statements

In connection with a closed-end consumer credit transaction secured by a dwelling, a servicer must credit a periodic payment to the consumer's loan account as of the date of receipt, except when a delay in crediting does not result in any charge to the consumer or negative credit reporting. A periodic payment consists of the amount necessary to cover principal, interest, and escrow (if applicable) for a given billing cycle. Any servicer that retains a partial payment, meaning any payment less than a periodic payment, in a suspense or unapplied funds account must disclose certain information as part of the periodic statement and credited on accumulation of sufficient funds to cover a periodic payment. In connection with a consumer credit transaction secured by a consumer's dwelling, a creditor, assignee, or servicer must provide an accurate payoff balance to a borrower.

#### **1026.39 Mortgage transfer disclosures**

For covered mortgage loans, covered persons must mail or deliver (including electronically) mortgage transfer disclosures on or before the 30th calendar day following the date of transfer. The mortgage transfer disclosures may be combined with other disclosures. If a mortgage loan is acquired by a covered person and subsequently sold, assigned, or otherwise transferred to another covered person, a single disclosure may be provided on behalf of both covered persons if the disclosure satisfies the timing and content requirements applicable to each covered person. The disclosures must include information about the sale, assignment, or transfer, including but not limited to: where a public record of the transfer was recorded, the date of the transfer, and contact information for an agent the consumer can contact. For certain mortgage loans a creditor must include information about their partial payment policy including but not limited to whether the covered person accepts partial payments and how such payments may be applied to the loan.

#### **1026.40 Requirements for home equity plans.**

##### 1026.40(a) Requirements for home equity plans (disclosures)

Creditors generally must disclose certain information for open-end credit plans secured by the consumer's dwelling (home equity plans) at the time an application is provided to the consumer. The disclosures may be provided on the application form or on a separate form. The disclosures must contain information about the plan including: retention of information, conditions for disclosed terms, security interest and risk to home, possible actions by creditor, payment terms, annual percentage rates, fees imposed by creditor, fees imposed by third parties to open a plan, negative amortization, transaction requirements, tax implications, and additional disclosures about variable rate plans. Additionally, the home equity brochure entitled "What You Should Know About Home Equity Lines of Credit" or a suitable substitute must be provided.

#### **1026.41 Periodic statements for residential mortgage loans.**

Covered servicers<sup>4</sup> must provide a periodic statement (which may be in electronic form) for covered mortgage loans for each billing cycle. The periodic statement must be delivered or placed in the mail within a reasonably prompt time after the payment due date or the end of any courtesy period provided for the previous billing cycle. The periodic statement must include information about the loan including: the amount due, an explanation of the amount due, a breakdown of past payments, transaction activity, partial payment information, servicer contact information, account information, and delinquency information.

#### ***Subpart F: Special Rules for Private Education Loans***

##### **1026.47 - Content of disclosures.**

##### 1026.47(a) Private education loan application or solicitation disclosures

Lenders are required to provide disclosures during application or solicitation of a covered private education loan. The disclosures may be provided orally for a telephone application or solicitation. Lenders must provide general information about loan rates, fees, and terms and must also inform a prospective borrower of the potential availability of Federal student loans and the interest rates for

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<sup>4</sup> Small servicers, as defined in 1026.41(e)(4)(ii) are exempt from this requirement.

those loans, and where to locate additional information. The disclosures must also indicate any payment deferral options and whether interest will accrue during the deferral period as well as examples of repayment.

#### 1026.47(b) Private education loan approval disclosure

When a lender approves the borrower's application for a covered private education loan, they must give the borrower a transaction-specific disclosure, including information regarding the rate, fees and other terms of the loan. The lender must also disclose estimates of the total repayment amount based on both the current interest rate and the maximum interest rate that may be charged and the monthly payment at the maximum rate of interest.

#### 1026.47(c) Private student loan final disclosures

The final disclosures must be provided in writing after the consumer accepts the loan. At consummation of the loan, the creditor must provide updated cost disclosures substantially similar to those provided at approval. The borrower has a right to cancel the loan. Schools or lenders are prohibited from disbursing funds until the three-day cancellation period has passed. The consumer must complete a self-certification required by the Department of Education prior to the disbursement of any private education loan.

### ***Subpart G: Special Rules Applicable to Credit Card Accounts and Open-End Credit Offered to College Students***

#### **1026.56 Requirements for over-the-limit transactions**

A card issuer cannot assess a fee or charge on a consumer's non-home-secured credit card account for an over-the-limit transaction unless the card issuer complies with the following requirements: provides the consumer with an oral, written or electronic notice describing the consumer's right to opt in to the card issuer's payment of an over-the-limit transaction, provides a reasonable opportunity for the consumer to opt in, obtains and confirms the consumer's opt in, and provides the consumer notice in writing of the right to revoke the consent following the assessment of an over-the-limit fee or charge.

#### **1026.57 - Reporting and marketing rules for college student open-end credit.**

##### 1026.57(b) Reporting and marketing rules for college student open-end credit

An institution of higher education must publically disclose any contract or other agreement made with a card issuer or creditor for the purpose of marketing a credit card.

##### 1026.57(d) Annual report to the Bureau

For non-home-secured credit card accounts, any card issuer that was a party to one or more college credit card agreements in effect at any time during a calendar year must submit to the Bureau an annual report regarding those agreements in the form and manner prescribed by the Bureau. The annual report to the Bureau must include information such as: identifying information about the card issuer and the agreements submitted, a copy of any college credit card agreement, a copy of any

memorandum of understanding in effect at any time during the period covered by the report between the card issuer and an institution of higher education, the total dollar amount of any payments pursuant to a college credit card agreement from the card issuer to an institution of higher education, and the total number of credit card accounts opened.

### **1026.58 Internet posting of credit card agreements.**

#### 1026.58(d) Posting of agreements offered to the public

For non-home-secured credit card accounts, covered card issuers generally must post and maintain on their publicly available Web site the credit card agreements that the issuer is required to submit to the Bureau in a manner readily usable by the general public. These agreements must be updated quarterly.

#### 1026.58(e) Agreements for all open accounts

With respect to any open non-home-secured credit card account, covered card issuers must either: post and maintain the cardholder's agreement on its Web site; or promptly provide a copy of the cardholder's agreement to the cardholder upon the cardholder's request.

### **1026.60 - Credit and charge card applications and solicitations.**

#### CFR1026.60(b) Application and solicitation disclosures

Covered card issuers generally must provide certain disclosures on or with a solicitation or an application to open a credit or charge card account. The disclosures must provide (in a table) information about the account including APR(s), fees for issuance or available of credit, fixed finance charges, minimum interest charges, transaction charges, grace periods. Disclosures may be given orally for telephone solicitations.

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

The third party disclosures and recordkeeping requirements in this collection are required by statute and regulation, as explained above. Consumers rely on the disclosures required by TILA and Regulation Z to understand their estimated and final cost of credit, including settlement costs. Without this information, consumers would be hindered in their ability to assess the true costs and terms of financing offered or to comparison shop. Additionally, this information is needed by State and Federal agencies for supervision and enforcement of TILA and Regulation Z. See 15 U.S.C. 1607, 1640.

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

Regulation Z contains rules to establish uniform standards for using electronic communication to deliver disclosures required under Regulation Z, within the context of the Electronic Signatures in Global and National Commerce Act (ESIGN), 15 U.S.C. 7001 et seq. 12 CFR 1026.5(a)(1)(iii), 1026.17(a)(1). These rules enable businesses to utilize electronic disclosures and compliance, consistent with the requirements of ESIGN. Use of such electronic communications is also consistent

with the Government Paperwork Elimination Act (GPEA), Title XVII of Pub. L. 105-277, codified at 44 U.S.C. 3504, note. ESIGN and GPEA serve to reduce businesses' compliance burden related to Federal requirements, including Regulation Z, by enabling businesses to use more efficient electronic media for disclosures and compliance.

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

The disclosures required by TILA and Regulation Z are not otherwise required by Federal law. State laws generally do not duplicate these requirements, although some States may have other rules applicable to consumer credit transactions.

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

TILA and Regulation Z disclosure requirements are imposed on all creditors. Most lenders today use computerization in their business, and Regulation Z permits businesses to rely on computer support, among other alternatives, to meet their disclosure requirements. This flexibility yields reduced disclosure costs. Further, the Regulation may provide exemptions to certain provisions for certain small entities. These are described in the text of the Regulation.

Moreover, Regulation Z provides model forms and clauses that may be used in compliance with its requirements. Correct use of these forms and clauses insulates a creditor from liability as to proper format.

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

TILA generally requires creditors to retain evidence of compliance with the integrated disclosure provisions of Regulation Z for two or three years after consummation of the transaction, except that creditors must retain the Closing Disclosure and all documents related to the Closing Disclosure for five years after consummation. Creditors must retain evidence of certain other notices for two years in accordance with the current record retention period for Regulation Z.

Regulation Z's disclosure requirements are needed to facilitate comparison cost shopping and to spur informed credit decision making. Without these requirements, consumers may not have access to this critical information, may not receive it in a timely fashion, or may not receive it in an easily-understandable manner.

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

The only special circumstances. in this The collection of as defined by 5 CFR 1320.5(d)(2).is a requirement to keep records related to this collection for 5 years. This additional retention is necessary for the proper supervision of regulated entities and enforcement of this regulation.

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

In accordance with 5 CFR §1320.8(d)(1), the Bureau 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, and did not receive any comments. Additionally, in accordance with 5 CFR §1320.5(a)(1)(iv) the Bureau has published a notice in the *Federal Register* allowing the public 30 days to comment on the submission of this information collection request to the OMB.

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

Not applicable, no payments or gifts are provided to respondents.

#### **10. Assurances of Confidentiality**

In general, this information collection contains required disclosures and recordkeeping requirements only, and the Bureau does not collect any information, personally identifiable or otherwise; there is no applicable System of Records Notice (SORN) or Privacy Impact Assessment that would apply to this collection.

Under Subpart G: Special Rules Applicable to credit card accounts and open-end credit offered to college students, the Bureau does collect credit card agreements and makes them available online. The Bureau makes no assurance of confidentiality for these agreements.

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

There is no information of a sensitive nature being requested.

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

The Bureau accounts for the paperwork burden associated with Regulation Z for the following respondents pursuant to its administrative enforcement authority: insured depository institutions with more than \$10 billion in total assets, their depository institution affiliates, and certain non-depository institutions. The Bureau estimates that it is responsible for the burden of 5,250 total respondents. The Bureau and the FTC generally have joint enforcement authority over non-depository institutions, with the exception of burden related to auto-lending for which the FTC takes all burden. In general, these provisions do not apply to auto lenders so the Bureau allocates to itself half of the Burden associated with each collection.

To prevent double-counting the same population, the Bureau has allocated to itself half of the estimated burden for non-depository institutions. In general, values in the table and discussion below are reported as rounded to the nearest thousands place, but the underlying values are calculated using unrounded estimates.

Regulation Z's information collections and the Bureau's share of their associated burdens is as follows:



**Table 1: Regulation Z Current Ongoing Burden of Recordkeeping, Disclosure and Reporting Requirements**

Information Collection Requirement	No. of Respondents	Estimated Total Annual Responses	Average Response Time (hours)	Total Burden Hours	Estimated CFPB share of responses	Estimated CFPB share hours	Average Hourly Rate (USD)	CFPB Labor Cost (USD)
<b>Subpart B: Open Ended Credit</b>								
1026.6(a) HELOC account opening disclosures	2,700	1,200,000	.0014	2,000	593,000	1,000	25.98	26,000
1026.6(b) Other open-ended account opening disclosures	4,500	101,277,000	.0014	141,000	58,525,000	83,000	25.98	2,156,000
1026.7(a) HELOC periodic statements	4,100	49,200	2(c)	98,400	26,000	51,000	52.89	2,697,000
1026.7(b) Other non-HELOC open-ended periodic statements	8,100	97,200	2(c)	194,000	49,000	100,000	52.89	5,289,000
1026.9(a) Statement of billing rights	(b)	(b)	(b)	(b)	(b)	(b)		
1026.9(b) Disclosures for supplemental credit access devices and additional features	10,300	2,600,000	.0014	977,000	1,494,000	2,000	25.98	52,000
1026.9(c)(1) Change in terms notice for HELOCs and open-ended plans	10,300	139,700,000	.003	420,000	81,200,000	247,000	25.98	6,417,000
1026.9(e) Disclosures upon renewal of credit or charge card	8,100	4,631,000	.003	14,000	2,663,000	8,000	25.98	208,000
1026.9(f) Change in credit card account insurance provider	(c)	(c)	(c)	(c)	(c)	(c)		
1026.9(g) Increase in rates due to delinquency or default as a penalty	8,100	13,800,000	.0014	19,000	8,143,000	11,000	25.98	286,000
1026.11(c) Timely settlement of estate debts	8,100	1,300,000	.003	4,000	767,000	2,000	25.98	52,000

Information Collection Requirement	No. of Respondents	Estimated Total Annual Responses	Average Response Time (hours)	Total Burden Hours	Estimated CFPB share of responses	Estimated CFPB share hours	Average Hourly Rate (USD)	CFPB Labor Cost (USD)
1026.12(b) Liability of cardholder for unauthorized use	(b)	(b)	(b)	(b)	(b)	(b)		
1026.12(e) Prompt notification of returns and credit of refunds	(b)	(b)	(b)	(b)	(b)	(b)		
1026.13 Billing error resolution notice	8,100	6,903,000	.17	1,173,000	4,074,000	693,000	25.98	18,004,000
1026.15(b) Notice of right to rescind	2,700	2,400,000	.0014	3,000	1,152,000	2,000	25.98	26,000
1026.16(b) Required disclosures in advertisements	(c)	(c)	(c)	(c)	(c)	(c)		
1026.16(d) Advertisement of terms that require additional disclosures	(c)	(c)	(c)	(c)	(c)	(c)		
1026.16(g) Disclosure of promotional rates and fees in advertisement	(c)	(c)	(c)	(c)	(c)	(c)		
1026.16(h) Disclosure of deferred interest or similar offers in advertisements	(c)	(c)	(c)	(c)	(c)	(c)		
<b>Sub-total for Subpart B<sup>5</sup></b>	<b>10,300*</b>	<b>273,957,400</b>	<b>//////////</b>	<b>3,045,400</b>	<b>158,686,000</b>	<b>1,200,000</b>	<b>//////////</b>	<b>35,213</b>
<b>Subpart C: Closed-Ended Credit</b>								
1026.19 Mortgage transactions subject to RESPA	(d)	(d)	(d)	(d)	(d)	(d)		
1026.19(b) and (d) Disclosure of certain variable-rate transactions	5,800	381,000	.003	1,000	86,000	300	25.98	8,000
1026.19(e) & (f) Loan estimate & origination disclosures	5,800	6,752,000	.003	20,000	1,527,000	5,000	25.98	130,000

<sup>5</sup> This subtotal is incomplete because the bureau lacks data to estimate the number of responses to certain IC's as noted above and will be revised accordingly as the Bureau become better able to estimate those burdens

Information Collection Requirement	No. of Respondents	Estimated Total Annual Responses	Average Response Time (hours)	Total Burden Hours	Estimated CFPB share of responses	Estimated CFPB share hours	Average Hourly Rate (USD)	CFPB Labor Cost (USD)
1026.19(g) Special information booklet at time of application	(b)	(b)	(b)	(b)	(b)	(b)		
1026.20 ARM Notice	5,800	381,000	.003	1,000	86,000	300	25.98	8,000
1026.20(e) Escrow closing notice	5,800	3,805,000	.003	11,000	2,462,000	7,000	25.98	182,000
1026.23 Notice of right to rescind	2,700	2,400,000	.0014	3,000	1,152,000	2,000	25.98	26,000
1026.24 Disclosures in advertising of mortgage terms	(c)	(c)	(c)	(c)	(c)	(c)		
<i>Sub-total for Subpart C<sup>6</sup></i>	<b>5,800*</b>	<b>13,719,000</b>	<i>////////////////</i>	<b>36,000</b>	<b>5,313,000</b>	<b>14,600</b>	<i>////////////////</i>	<b>354,000</b>
<b>Subpart D: Miscellaneous</b>								
1026.25 Record retention requirements	(a)	(a)	(a)	(a)	(a)	(a)		
1026.26 Use of APR in oral disclosures	(b)	(b)	(b)	(b)	(b)	(b)		
<i>Sub-total for Subpart D</i>			<i>////////////////</i>				<i>////////////////</i>	
<b>Subpart E: Special rules for certain home mortgage transactions</b>								
1026.32(c) Disclosures for high-cost mortgages	300	4,000	.003	11	2,000	7	25.98	200
1026.33(b) Requirements for reverse mortgage disclosures	(d)	(d)	(d)	(d)	(d)	(d)		
1026.34(a) Certification of housing counseling for high-cost mortgages	300	4,000	.0014	5	2,000	4	25.98	60
1026.35(c)(3) Written appraisals for higher-priced mortgage loans	4,000	47,000	.25	12,000	33,000	8,000	25.98	208,000

<sup>6</sup> This subtotal is incomplete because the bureau lacks data to estimate the number of responses to certain IC's as noted above and will be revised accordingly as the Bureau become better able to estimate those burdens

Information Collection Requirement	No. of Respondents	Estimated Total Annual Responses	Average Response Time (hours)	Total Burden Hours	Estimated CFPB share of responses	Estimated CFPB share hours	Average Hourly Rate (USD)	CFPB Labor Cost (USD)
1026.35(c)(4) Verification requirement for additional appraisals for some high-priced mortgage loans	4,000	94,000	.25	24,000	66,000	17,000	25.98	441,660
1026.36(c)(1) Payment processing	(b)	(b)	(b)	(b)	(b)	(b)		
1026.36(c)(3) Payoff statements	(b)	(b)	(b)	(b)	(b)	(b)		
1026.39 Mortgage transfer disclosures	300	2,890,000	.001	9,000	1,792,000	3,000	25.98	78,000
1026.40(a) Requirements for home equity plans (disclosures)	2,700	2,000,000	.003	6,000	992,000	3,000	25.98	78,000
1026.41 Periodic statement for residential mortgage loans	300	4,000	2	8,000	2,400	4,800	52.89	212,000
<b>Sub-total for Subpart E</b>	<b>4,000*</b>	<b>5,043,000</b>	<b>//////////</b>	<b>59,016</b>	<b>2,889,400</b>	<b>35,811</b>	<b>//////////</b>	<b>1,017,920</b>
<b>Subpart F: Special rules for private education loans</b>								
1026.47(a) Private student loan application or solicitation disclosures	200	8,071,000	.0014	11,000	6,053,000	8,000	25.98	8,000
1026.47(b) Private student loan approval disclosure	200	1,412,000	.003	4,000	1,059,000	3,000	25.98	78,000
1026.47(c) Private student loan final disclosures	200	1,114,000	.003	3,000	836,000	2,500	25.98	78,000
<b>Sub-total for Subpart E</b>	<b>200*</b>	<b>10,597,000</b>	<b>//////////</b>	<b>18,000</b>	<b>7,948,000</b>	<b>13,500</b>	<b>//////////</b>	<b>164,000</b>
<b>Subpart G: Special Rules Applicable to credit card accounts and open-end credit offered to college students</b>								
1026.56 Requirements for over-the-limit transactions	(b)	(b)	(b)	(b)	(b)	(b)		
1026.57(b) Reporting and marketing rules for college student open-ended credit	(b)	(b)	(b)	(b)	(b)	(b)		

Information Collection Requirement	No. of Respondents	Estimated Total Annual Responses	Average Response Time (hours)	Total Burden Hours	Estimated CFPB share of responses	Estimated CFPB share hours	Average Hourly Rate (USD)	CFPB Labor Cost (USD)
1026.57(d) Annual report to the Bureau	30	120	4	240	120	240	25.98	6,000
1026.58(d) Posting of agreements offered to the public	(b)	(b)	(b)	(b)	(b)	(b)		
1026.58(e) Agreements for all open accounts	(b)	(b)	(b)	(b)	(b)	(b)		
1026.60(b) Application and solicitation disclosures	30	360	2	720	30	720	25.98	19,000
<b>Sub-total for Subpart G</b>	<b>30*</b>	<b>480</b>	<b>//////////</b>	<b>960</b>	<b>150</b>	<b>960</b>	<b>//////////</b>	<b>25,000</b>
<b>TOTAL:</b>	<b>20,000*<sup>7</sup></b>	<b>303,968,000</b>	<b>//////////</b>	<b>3,162,000</b>	<b>175,292,000</b>	<b>1,265,000</b>	<b>//////////</b>	<b>36,581,000</b>

\*Unduplicated respondent count

Notes:

- The Bureau assumes that recordkeeping is electronic, and that preserving each record represents a *de minimis* burden.
- The Bureau assumes *de minimis* burden.
- The Bureau lacks data adequate to estimate the burden of this Regulation Z and sought comment to assist in its burden estimation during the 60-day comment period, but did not receive any.
- Burden accounted for in another Control Number.(Regulation X 3170-0016)

### **Methodology For Estimating These Burdens**

In general, the Bureau first uses publicly available data to estimate the burden associated with each information collection. This includes data reported under the Home Mortgage Disclosure Act (HMDA data), reports published by the Bureau, and third-party reports that can be accessed electronically. In many instances, however, the Bureau was only able to estimate burden by using its Consumer Credit Panel (CCP). The CCP is a nationally representative sample of credit records maintained by one of the three nationwide consumer reporting agencies. Before being provided to the Bureau, the records are stripped of any information that might reveal consumers identities, such as names, addresses, and Social Security numbers.

The Bureau endeavors to consistently calculate the burden associated with various information collections while recognizing that some collections tend to be more burdensome than others. Therefore, the Bureau assumes the following per-collection estimates for its required disclosures: (1) disclosures that require analysis for each distinct consumer are estimated to require .17 hours of burden; (2) disclosures that are individualized for each consumer, but do not require analysis, are

<sup>7</sup> This is an upward bound of open-ended unsecured, closed-ended mortgages and installment, and open-ended HELOCs. The Bureau is not able to disaggregate each firm to understand if there is overlap among providers offering one or more of these services. The Bureau invited comment on this estimate during the 60-day comment period, and did not receive any.

estimated to require .003 hours of burden per collection; and (3) disclosures that do not require individualized information (*e.g.* statements of rights) are estimated to require .0014 hours of burden per collection. The Bureau invited comment on these assumptions during the 60-day comment period, and did not receive any.

In most cases, the Bureau estimated the hourly labor cost to be \$25.98 per hour for each information collection. The Bureau estimated this by finding the weighted average of wages for various occupations required to comply with the information collection provisions of Regulation Z. Wages were obtained using the median wage published in the Bureau of Labor Statistics' Occupational Employment and Wage Estimates.<sup>8</sup> This includes 5% attorney time (occupation code 23-1011), 70% administrative time (43-6014), 12.5% of compliance officer time (13-1041), and 12.5% of software developer time (15-1133). In instances where the only labor cost is the cost associated with developing software to issue periodic statements labor costs are estimated to be only the cost of a software developer, \$52.89 per hour.

The below text summarizes the Bureau's estimation methodology. Please refer to section 1 above for a discussion of information collection requirements themselves.

### ***Subpart B: Open ended credit***

#### 1026.6 Account-opening disclosures

This section contains disclosure requirements for the opening of credit for plans that are and are not home-secured.

1026.6(a) Rules affecting home-equity plans: Pertains to home equity lines of credit (HELOC), account opening disclosure requirements.

The Bureau estimates that about 1,200,000 HELOC accounts were originated in 2017 from its CCP. The Bureau relied on call report data to estimate the number of HELOCs originated by depository institutions. However, call report data contain only information on the total dollar volume of HELOC limits originated, and no information on the number of HELOC lines originated. Therefore, the Bureau calculated the average limit of a HELOC in its CCP, and applied the estimated average to the total dollar volume originated in the call report data. Thus, the Bureau estimates that depository institutions originated about 50,000 HELOCs, and about 20,000 of these HELOCs were originated by depository institutions with assets of more than \$10 billion.

The Bureau estimates that these account opening disclosures are largely identical and require very little individualization from consumer to consumer and that each disclosure requires about .0014 hours of burden. The Bureau estimates that total burden for 1026.6(a) to be about 2,000 hours (1,200,000 responses x .0014 hours per response).

The Bureau allocates to itself the burden from depository institutions with assets greater than \$10

<sup>8</sup> See, [https://www.bls.gov/oes/current/oes\\_nat.htm#13-0000](https://www.bls.gov/oes/current/oes_nat.htm#13-0000)

billion and half of non-depository institutions. Therefore, the Bureau allocates to itself the burden 593,000 responses: 1,000 total burden hours (593,000 responses x .0014 hours per response).

1026.6(b) Rules affecting open-end (not home-secured) plans: Pertains to open-ended account opening disclosures requirements.

The Bureau estimates that 101,227,000 other open-ended accounts were originated in 2017 from its CCP. The Bureau relied on call report data to estimate the number of open-ended credit originated by depository institutions. However, call report data contain only information on the total dollar volume of open-ended credit limits originated, and no information on the number of open-ended credit accounts originated. Therefore, the Bureau calculated the average limit of an open-ended credit product in its CCP, and applied the estimated average to the total dollar volume originated in the call report data. Thus, the Bureau estimates that depository institutions originated about 22,000,000 open-ended accounts, and about 20,000,000 of these were originated by depository institutions with assets of more than \$10 billion.

The Bureau estimates that these account opening disclosures are largely identical and require very little individualization from consumer to consumer and that each disclosure requires about .0014 hours of burden. The Bureau estimates that total burden for 1026.6(b) to be about 141,000 hours (101,227,000 responses x .0014 hours per response).

The Bureau allocates to itself the burden from depository institutions with assets greater than \$10 billion and half of non-depository institutions. Therefore, the Bureau allocates to itself the burden 58,525,000 responses: 83,000 total burden hours (58,525,000 responses x .0014 hours per response).

#### 1026.7(a) HELOC periodic statements

The Bureau believes that the per-disclosure burden hour of HELOC periodic statements to be very small, but does recognize that there is likely systems burden covered persons may experience to generate the periodic statements. The Bureau estimates that, on average, each firm spends two hours per month doing necessary systems updates and upkeep to generate periodic statements. The Bureau invited comment on this two-hour estimate during the 60-day comment period, but did not receive any. Each respondent does this 12 times per year for monthly statements. Therefore, the Bureau estimates that the total annual burden hours for this information collection is about 98,000 (4,100 respondents x 12 months x 2 hours per month).

The Bureau allocates to itself the burden from depository institutions with assets greater than \$10 billion and half of non-depository institutions. The Bureau, therefore, allocates to itself the burden of about 2,000 firms: 51,000 total burden hours (2,000 respondents x 12 months x 2 hours per month).

#### 1026.7(b) Non-HELOC open-ended periodic statements

The Bureau believes that the per-disclosure burden hour of HELOC periodic statements to be very small, but does recognize that there is likely systems burden covered persons may experience to generate the periodic statements. The Bureau estimates that, on average, each firm spends two hours per month doing necessary systems updates and upkeep to generate periodic statements. The Bureau invited comment on this two-hour estimate during the 60-day comment period, but did not receive

any. Each respondent does this 12 times per year for monthly statements. Therefore, the Bureau estimates that the total annual burden hours for this information collection is 194,000 (8,100 respondents x 12 months x 2 hours per month).

The Bureau allocates to itself the burden from depository institutions with assets greater than \$10 billion and half of non-depository institutions. The Bureau allocates to itself the burden of about 4,000 firms: 100,000 total burden hours (4,000 respondents x 12 months x 2 hours per month).

#### 1026.8 Identifying transactions on periodic statements.

The Burden of the providing the disclosures specified in 1206.8 are incorporated in the calculations of the burden of providing the statements themselves discussed about in 1206.7 a&b

#### 1026.9(a) Statement of Billing Rights

The Bureau believes that the Statement of Billing Rights is unchanged for each consumer, and that the burden associated with each disclosure is *de minimis*. The Bureau requested comment on the total burden hours associated with this disclosure during the 60-day comment period, but did not receive any.

#### 1026.9(b) Disclosures for supplemental credit access devices and additional features

The Bureau, using the CCP, estimates that there are about 102.3 million new open-ended credit accounts opened in 2017. Without other evidence, the Bureau estimates that 2.5% of these accounts require the disclosures specified in 1026.9(b). The Bureau requested comment on this estimate during the 60-day comment period, but did not receive any. Therefore, the Bureau estimates that about 2.6 million accounts may require this disclosure (102,300,000 new accounts x 2.5%). The Bureau believes that, in general, these disclosures are largely similar from consumer-to-consumer, and therefore assumes that each disclosure only requires .0014 hours of burden to generate. The Bureau estimates that this information collection requires 977,000 hours of burden (2,600,000 accounts x .0014 hours per response).

The Bureau allocates to itself the burden from depository institutions with assets greater than \$10 billion and half of non-depository institutions. The Bureau allocates to itself the burden of about 1.5 million accounts: 2,000 total burden hours (1,500,000 accounts x .0014 hours per response).

#### 1026.9(c)(1) Change in terms notice for HELOCs and other open-ended plans

The Bureau, using the CCP, estimates that there are about 688 million open-ended credit accounts in 2017. Without other evidence, the Bureau estimates that 20% of these accounts require the disclosures specified in 1026.9(c)(1). The Bureau requested comment on this estimate during the 60-day comment period, but did not receive any. Therefore, the Bureau estimates that about 139.7 million accounts may require this disclosure (688 million accounts x 20%). The Bureau believes that, in general, these disclosures require minimal changes from consumer-to-consumer, and therefore assumes that each disclosure only requires .003 hours of burden to generate. The Bureau estimates that this information collection requires 420,000 hours of burden (139.7 million accounts x .003 hours per response).



The Bureau allocates to itself the burden from depository institutions with assets greater than \$10 billion and half of non-depository institutions. The Bureau allocates to itself the burden of about 81.2 million accounts: 247,000 total burden hours (81.2 million accounts x .003 hours per response).

#### 1026.9(e) Disclosures upon renewal of credit or charge card

The Bureau, using the CCP, estimates that there are about 688 million open-ended credit accounts in 2017. The Bureau also understands that about 225 million credit card accounts were closed in the 12 months leading up to December 31, 2018.<sup>9</sup> Therefore, the Bureau estimates that about 2/3 of credit card accounts could be renewed, and that each account is usually valid for 5 years. Therefore, the Bureau estimates that about 92 million credit card accounts would be renewed each year (688 million accounts minus 225 million account closings divided by 5 years). For the purposes of this renewal, the Bureau assumes that only 5% of these cards see a change in terms. The Bureau invited comment on this assumption during the 60-day comment period, and did not receive any. The Bureau estimates that about 4.6 million accounts may be required to comply with 12 CFR 1026.9(e) (92 million accounts x 5%). These disclosures must receive minimal personalization for each consumer, and, therefore, the Bureau assumes a burden of .003 hours per disclosure. Thus, the Bureau estimates 14,000 hours of total burden (4.6 million accounts x .003 hours).

The Bureau allocates to itself the burden from depository institutions with assets greater than \$10 billion and half of non-depository institutions. The Bureau allocates to itself the burden associated with about 2.7 million accounts: 8,000 total burden hours (2.6 million accounts x .003 hours per response).

#### 1026.9(f) Change in credit card insurance provider

The Bureau lacks data necessary to calculate the burden associated with these collections and sought comment to assist in its burden estimation during the 60-day comment period, but did not receive any.

#### 1026.9(g) Increase in rates due to delinquency or default as a penalty

The Bureau, using the CCP, estimates that there are about 688 million open-ended credit accounts in 2017. From analysis using its CCP, the Bureau estimates that a ceiling of about 2% of these accounts may require the disclosures specified in 1026.9(g). Therefore, the Bureau estimates that about 13.8 million accounts require this disclosure (688 million accounts x 2%). The Bureau believes that, in general, these disclosures are computer generated and require almost no individualization. Therefore, the Bureau estimates that these notices require about .0014 hours of burden to generate. The Bureau estimates that this information collection requires 19,000 hours of burden (13.8 million accounts x .0014 hours per response).

The Bureau allocates to itself the burden from depository institutions with assets greater than \$10

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<sup>9</sup> See, Federal Reserve Bank of New York Quarterly Report on Household Debt and Credit, 2018:Q4 at 5. Available at [https://www.newyorkfed.org/medialibrary/interactives/householdcredit/data/pdf/HHDC\\_2018Q4.pdf](https://www.newyorkfed.org/medialibrary/interactives/householdcredit/data/pdf/HHDC_2018Q4.pdf)

billion and half of non-depository institutions. The Bureau allocates to itself the burden of about 8.1 million accounts: 11,000 total burden hours (8.1 million accounts x .0014 hours per response).

#### 1026.11(c) Timely settlement of estate debts

Using its CCP, the Bureau estimates that about 1,300,000 consumers with active credit records died in 2017. Therefore, the Bureau estimates a ceiling of 1,300,000 estate settlement disclosures. The Bureau assumes that these require minimal burden, with a statement being able to be created with one call from a surviving individual. Therefore, the Bureau assumes that each disclosure requires .003 burden hours. The Bureau estimates that complying with 1026.11(c) requires with 4,000 total burden hours (1,300,000 million accounts x .003 hours per response).

The Bureau allocates to itself the burden from depository institutions with assets greater than \$10 billion and half of non-depository institutions. The Bureau allocates to itself the burden of about 767,000 accounts: 2,000 total burden hours (767,000 accounts x .003 hours per response).

#### 1026.12(b) Liability of cardholder for unauthorized use

The Bureau believes that this disclosure is included in normal credit card agreements, and inclusion of this disclosure results in *de minimis* burden.<sup>10</sup> The Bureau invited comment on this assumption during the 60-day comment period, and did not receive any.

#### 1026.13 Billing error resolution notice

The Bureau, using the CCP, estimates that there are about 688 million open-ended credit accounts in 2017. In its 2015 CARD Act report the Bureau found that 10% of online statements are reviewed per quarter. Without additional evidence, the Bureau assumes that only 10% of those that review their statements identify and report an error. Therefore, the Bureau estimates that about 6.9 million accounts may require this disclosure (688 million accounts x 10% opening statements x 10% found error). The Bureau believes that, in general, these disclosures require separate analysis and changes from consumer-to-consumer, and therefore assumes that each disclosure requires .17 hours of burden to generate. The Bureau estimates that this information collection requires about 1,173,000 hours of burden (6.9 million accounts x .17 hours per response).

The Bureau allocates to itself the burden from depository institutions with assets greater than \$10 billion and half of non-depository institutions. The Bureau allocates to itself the burden of about 4 million accounts: 693,000 total burden hours (4 million accounts x .17 hours per response).

#### 1026.15(b) Notice of right to rescind

The Bureau, using its CCP, estimates that there were about 1.2 million new HELOCs in 2017; therefore, the disclosure under 1026.16(b) is estimated to be provided 2.4 million times. These disclosures require minimal change from consumer-to-consumer, and therefore are estimated to generate .0014 hours of burden per disclosure. Therefore, the Bureau estimates a total burden of

<sup>10</sup> See, <https://www.consumerfinance.gov/ask-cfpb/am-i-responsible-for-unauthorized-charges-if-my-credit-cards-are-lost-or-stolen-en-29/>

3,000 hours per year (2.4 million originations x .0014 hours).

The Bureau allocates to itself the burden from depository institutions with assets greater than \$10 billion and half of non-depository institutions. The Bureau allocates to itself the burden of about 1,152,000 originations: 2,000 total burden hours (1,152,000 accounts x .0014 hours per response). The Bureau is treating the written notice given by the consumer wishing to rescind to the loan to the originator as a recordkeeping requirement on the lender and the burden of that is included in the bureau's estimates for the recordkeeping requirements for this rule generally

1026.16(b), (d), (g), and (h) Various Required disclosures in advertisements

The Bureau lacks data necessary to calculate the burden associated with these collections and sought comment to assist in its burden estimation during the 60-day comment period, but did not receive any.

**Subpart C: Closed-Ended Mortgages**

The requirements for the contents of these disclosures is contained in 1026.18 below is a discussion of the specific requirements of this section and associated burdens.

## 1026.19(a) Mortgage transactions subject to RESPA

The Bureau accounts for the burden of 1026.19(a) in OMB Control Number 3170-0016.

## 1026.19(b) and (d) Disclosure of certain variable-rate transactions

The Bureau estimates that about 5% of mortgage loans originations were variable-rate transactions.<sup>11</sup> Using 2017 HMDA data, the Bureau estimates that about 6,752,000 mortgage loans were originated in 2017. Therefore, the Bureau estimates that about 381,000 mortgage transactions may have been required to provide the disclosures prescribed in 1026.19(b) and (d) (6,752,000 total originations x 5%). The Bureau believes that these disclosures require a minimal amount of customization per consumer, and therefore assumes that each disclosure imposes .003 burden hours per disclosure. The Bureau estimates that the total number of burden hours associated with this collection to be about 1,000 (381,000 covered loans x .003 burden hours).

The Bureau allocates to itself the burden from depository institutions with assets greater than \$10 billion and half of non-depository institutions. The Bureau allocates to itself the burden of about 86,000 originations: 300 total burden hours (86,000 originations x .003 hours per response).

## 1026.19(e) and (f) Loan estimate &amp; origination disclosures

Using 2017 HMDA data, the Bureau estimates that about 6,752,000 mortgage originations may have been required to be given loan estimate and origination disclosures under 1026.19(e) and (f). The Bureau believes that these disclosures require a minimal amount of customization per consumer, and therefore estimates that the disclosure imposes .003 burden hours per disclosure. The Bureau estimates the total number of burden hours associated with this collection to be about 20,000 (6,752,000 mortgage originations x .003 hours per response).

The Bureau allocates to itself the burden from depository institutions with assets greater than \$10 billion and half of non-depository institutions. The Bureau allocates to itself the burden of about 1,527,000 originations: 5,000 total burden hours (1,527,000 originations x .003 hours per response).

## 1026.19(g) Special information booklet at time of application

The Bureau created the booklet to be interactive and publishes the booklet online. The Bureau believes that the booklet is delivered electronically and assumes *de minimis* burden. The Bureau invited comment on this assumption during the 60-day comment period, and did not receive any.

## 1026.20(c) and (d) ARM Notice

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<sup>11</sup> 5% estimated by taking the geometric mean of all 2017 ARM transactions as reported by EllieMae here: [https://static.elliemae.com/pdf/origination-insight-reports/Elle\\_Mae\\_OIR\\_DECEMBER2017.pdf](https://static.elliemae.com/pdf/origination-insight-reports/Elle_Mae_OIR_DECEMBER2017.pdf)

The Bureau estimates that about 5% of mortgage loans originations were variable-rate transactions.<sup>12</sup> Using 2017 HMDA data, the Bureau estimates that about 6,752,000 mortgage loans were originated in 2017. Therefore, the Bureau estimates that about 381,000 mortgage transactions may have been required to provide the disclosures prescribed in 1026.20(c) and (d) (6,752,000 total originations x 5%). The Bureau believes that these disclosures require a minimal amount of customization per consumer, and therefore assumes that each disclosure imposes .003 burden hours per disclosure. The Bureau estimates that the total number of burden hours associated with this collection to be about 1,000 (381,000 covered loans x .003 burden hours).

The Bureau allocates to itself the burden from depository institutions with assets greater than \$10 billion and half of non-depository institutions. The Bureau allocates to itself the burden of about 86,000 originations: 300 total burden hours (86,000 originations x .003 hours per response).

#### 1026.20(e) Escrow closing notice

Using data published by CoreLogic, the Bureau assumes that 79% of mortgage loans currently have an escrow account.<sup>13</sup> The US Census estimates that there were about 48,168,000 active mortgages in 2017.<sup>14</sup> Further, the Bureau assumes that 10% of escrows are cancelled each year.<sup>15</sup> Therefore, the Bureau estimates that about 3,805,000 escrows were cancelled and, therefore, may have been required to comply with 1026.20(e) (48.1 million mortgages x 79% escrow x 10% cancelled). The Bureau believes that these disclosures require a minimal amount of customization per consumer, and therefore assumes that each disclosure imposes .003 burden hours per disclosure. The Bureau estimates that the total number of burden hours associated with this collection to be 11,000 hours (3,805,000 cancellations x .003 burden hours).

The Bureau allocates to itself the burden from depository institutions with assets greater than \$10 billion and half of non-depository institutions. The Bureau allocates to itself the burden of about 2,462,000 cancellations: 7,000 total burden hours (2,462,000 x .003 hours per response).

#### 1026.23 Notice of Right to Rescind:

The Bureau, using its CCP, estimates that there were about 1.2 million new covered loans in 2017; therefore, the disclosure under 1026.16(b) is estimated to be provided 2.4 million times. These disclosures require minimal change from consumer-to-consumer, and therefore are estimated to generate .0014 hours of burden per disclosure. Therefore, the Bureau estimates a total burden of 3,000 hours per year (2.4 million originations x .0014 hours).

The Bureau allocates to itself the burden from depository institutions with assets greater than \$10 billion and half of non-depository institutions. The Bureau allocates to itself the burden of about 1,152,000 originations: 2,000 total burden hours (1,152,000 accounts x .0014 hours per response). The Bureau is treating the written notice given by the consumer wishing to rescind to the loan to the

<sup>12</sup> See, *supra* (7)

<sup>13</sup> See, <https://www.corelogic.com/blog/2017/06/escrow-vs-non-escrow-mortgages-the-trend-is-clear.aspx>

<sup>14</sup> See,

[https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS\\_17\\_1YR\\_DP04&prodType=table](https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_17_1YR_DP04&prodType=table)

<sup>15</sup> The Bureau invited comment on this assumption during the 60-day period, and did not receive any.

originator as a recordkeeping requirement on the lender and the burden of that is included in the bureau's estimates for the recordkeeping requirements for this rule generally

#### 1026.24 Disclosures in advertising of mortgage terms

The Bureau lacks data necessary to calculate the burden associated with these collections and sought comment to assist in its burden estimation during the 60-day comment period, but did not receive any.

### **Subpart D: Miscellaneous**

#### 1026.25 Record retention requirements

In general, the Bureau assumes that records are retained electronically and impose *de minimis* burden. The Bureau invited comment regarding this assumption during the 60-day comment period, and did not receive any.

#### 1026.26 Use of annual percentage rate in oral disclosures

The Bureau believes that these disclosures are typically part of other calls, and communicating only the APR provides a *de minimis* burden on covered persons.

### **Subpart E: Special rules for certain home mortgage transactions**

Generally 1026.31 contains general rules for certain transactions covered by this section and the content of disclosures for certain mortgage transactions are contained in 1026.37 . Specific requirements and associated burdens are discussed below.

#### 1026.32(c) Disclosures for high-cost mortgages

Using 2017 HMDA and McDash data the Bureau estimates that there were around 578,000 high-cost mortgage transactions in 2017. The Bureau believes that these disclosures require a minimal amount of customization per consumer, and therefore assumes that each disclosure imposes .003 burden hours per disclosure. The Bureau estimates that the total number of burden hours associated with this collection to be about 2,000 (578,000 covered loans x .003 burden hours).

The Bureau allocates to itself the burden from depository institutions with assets greater than \$10 billion and half of non-depository institutions. The Bureau estimates allocates to itself the burden of about 402,000 transactions: 1,000 total burden hours (402,000 transactions x .003 hours per response).

#### 1026.33(b) Requirements for reverse mortgage disclosures

Burden for reverse mortgage transactions is accounted for in OMB Control Number 3170-0016.

#### 1026.34(a) Certification of housing counseling for high-cost mortgages

Using 2017 McDash data the Bureau estimates that approximately 0.12% of all mortgage originations were high-cost mortgages. According to 2017 HMDA estimates, there were about 6,752,000 mortgage originations in 2017 resulting in an estimated 81,000 high-cost mortgage originations. The Bureau assumes that each housing counseling session to obtain a high-cost mortgage requires minimal customization per consumer and assigns an estimated 0.0014 burden hours to each session. This results in an estimated 80 total burden hours associated with this collection (81,000 high-cost mortgage originations x .0014 hours per response).

The Bureau allocates to itself the burden from depository institutions with assets greater than \$10 billion and half of non-depository institutions. The Bureau allocates to itself the burden of about 57,000 transactions: 60 total burden hours (57,000 transactions x .0014 hours per response).

#### 1026.35(c)(3) Written appraisals for higher-priced mortgage loans

Using 2017 HMDA and McDash data the Bureau estimates that there were approximately 47,000 higher-priced mortgage loan originations 2017. The Bureau estimates that written appraisals assume .25 burden hours per appraisal, resulting in 12,000 burden hours (47,000 covered originations x 0.25 burden hours).

The Bureau allocates to itself the burden from depository institutions with assets greater than \$10 billion and half of non-depository institutions. The Bureau allocates to itself the burden of about 33,000 originations: 1,000 total burden hours (33,000 originations x 0.25 hours per response).

#### 1026.35(c)(4) Verification requirement for additional appraisals for some high-priced mortgages loans

Using 2017 HMDA and McDash data the Bureau estimates that there were approximately 47,000 higher-priced mortgage loan originations 2017. The Bureau estimates that each written appraisal assumes .25 burden hours per appraisal, resulting in 24,000 burden hours (47,000 covered originations x 0.25 burden hours x 2 written appraisals for certain high-priced mortgages).

The Bureau allocates to itself the burden from depository institutions with assets greater than \$10 billion and half of non-depository institutions. The Bureau allocates to itself the burden of about 33,000 originations, and therefore allocates to itself 2,000 total burden hours (33,000 originations x 0.25 hours per response x 2 written appraisals).

#### 1026.36(c)(1) Payment processing

The Bureau believes that the payment processing disclosures described in 1026.36(c) are disclosed upon origination of the mortgage and requires no additional burden. The Bureau therefore assumes *de minimis* burden and invited comment on this assumption during the 60-day comment period, and did not receive any.

#### 1026.36(c)(3) Payoff statements

The Bureau believes that the payoff statements described in 1026.36(c)(3) are disclosed upon origination of the mortgage as well as in periodic statements of the loan obligation and requires no additional burden. The Bureau therefore assumes *de minimis* burden and invited comment on this

assumption during the 60-day comment period, and did not receive any.

#### 1026.39 Mortgage transfer disclosures

Using 2017 McDash data the Bureau estimates that approximately 6% of active mortgage transactions received a mortgage servicing transfer. According to Census estimates there were 48,168,000 active mortgages in 2017 resulting in an estimated 2,890,000 servicing transfers. The Bureau assumes that disclosures for each servicing transfer requires minimal customization per consumer and assigns an estimated 0.003 burden hours to each session. This results in an estimated 9,000 total burden hours associated with this collection (2,890,000 servicing transfers x .003 hours per response).

The Bureau allocates to itself the burden from depository institutions with assets greater than \$10 billion and half of non-depository institutions. The Bureau allocates to itself the burden of about 1,792,000 transfers: 3,000 total burden hours (1,792,000 transactions x .0014 hours per response).

#### 1026.40(a) Requirements for home equity plans (disclosures)

The Bureau estimates that about 2,000,000 accounts may receive the disclosures as prescribed in 1026.40(a). The Bureau assumes that these require minimal individualization for each consumer, and, therefore, require .003 hours per response. The Bureau estimates that these disclosures require 6,000 total hours of burden (2,000,000 responses x .003 hours per response).

The Bureau allocates to itself the burden from depository institutions with assets greater than \$10 billion and half of non-depository institutions. The Bureau allocates to itself the burden of about 992,000 responses: 3,000 total burden hours (992,000 responses x .003 hours per response).

#### 1026.41 Periodic statement for residential mortgage loans

The Bureau believes that the issuance of period statements for residential mortgage loans is conducted in the normal course of business and therefore presents a de minimis burden. The Bureau invited comment on this assumption during the 60-day comment period, and did not receive any.

### ***Subpart F: Special rules for private education loans***

#### 1026.47(a) Private education loan application or solicitation disclosures

The Bureau estimates that about 2 million private student loan applications are submitted each year,<sup>16</sup> and assumes that 3 solicitations are sent by private student loan lenders per successful application. Therefore, the Bureau estimates that about 8 million application and solicitation disclosures are sent each year (2 million applications + 6 million solicitations). The Bureau believes that these disclosures require almost no customization per consumer, and therefore assumes that each disclosure imposes .0014 burden hours per disclosure. Therefore, the Bureau estimates that this provision imposes about 11,000 burden hours (8 million applications/solicitations x .0014 burden hours per response).

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<sup>16</sup> The Bureau looked at the total number of inquiries in its CCP, and then multiplied this number by 3 because inquiries are not reported to all NCRAs.



The Bureau allocates to itself the burden from depository institutions with assets greater than \$10 billion and half of non-depository institutions. The Bureau allocates to itself the burden of about 4.5 million disclosures: 8,000 total burden hours (4.5 million disclosures x .0014 hours per response).

#### 1026.47(b) Private education loan approval disclosures

The Bureau estimates that about 1.4 million private student loan applications were approved in 2017.<sup>17</sup> The Bureau believes that these disclosures require a minimal amount of customization per consumer, and therefore assumes that each disclosure imposes .003 burden hours per disclosure. Therefore, the Bureau estimates that this provision imposes about 4,000 burden hours (1.4 million approvals x .003 hours per response).

The Bureau allocates to itself the burden from depository institutions with assets greater than \$10 billion and half of non-depository institutions. The Bureau allocates to itself the burden of about 1 million approvals, and therefore allocates to itself 3,000 total burden hours (1 million approvals x .003 hours per response).

#### 1026.47(c) Private education loan final disclosures

The Bureau estimates that about 14.3 million student loans were originated in 2017,<sup>18</sup> and that about 8% of these are private student loans.<sup>19</sup> Therefore, the Bureau estimates that about 1.1 million private student loans are originated and may receive disclosures prescribed in 1026.47(c). The Bureau believes that these disclosures require a minimal amount of customization per consumer, and therefore assumes that each disclosure imposes .003 burden hours per disclosure. Therefore, the Bureau estimates that this provision imposes about 3,000 burden hours (1.1 million approvals x .003 hours per disclosure).

The Bureau allocates to itself the burden from depository institutions with assets greater than \$10 billion and half of non-depository institutions. The Bureau estimates that it is responsible for the burden of about 836,000 originations, and therefore allocates to itself 2,500 total burden hours (836,000 originations x .003 hours per response).

### ***Subpart G: Special rules applicable to credit card accounts and open-ended credit offered to college students***

#### 1026.56 Requirements for over-the-limit transactions

The Bureau believes that, generally, disclosures related to over-the-limit transactions are included in account opening disclosures, and requires no additional burden. Therefore, the Bureau estimates burden associated with 1026.56 to be *de minimis*. The Bureau invited comment on this assumption

<sup>17</sup> The Bureau has reviewed suggestive evidence that about 70% of private student loan applications are approved. See <https://www.credible.com/blog/student-loans/cosigners-helping-borrowers-get-better-rates-on-student-loans/>. The Bureau invited comment on this estimate during the 60-day comment period, and did not receive any.

<sup>18</sup> See, Quarterly Consumer Credit Trends available here: <https://www.consumerfinance.gov/data-research/consumer-credit-trends/student-loans/origination-activity/>

<sup>19</sup> See, Measure One Q1 2018: [https://docs.wixstatic.com/ugd/0aaff0\\_4c29f76cdc1845be961ab388b57e5ae1.pdf](https://docs.wixstatic.com/ugd/0aaff0_4c29f76cdc1845be961ab388b57e5ae1.pdf)

during the 60-day comment period, and did not receive any.

#### 1026.57(b) Reporting and marketing rules for college student open-ended credit

The Bureau believes that these disclosures are generally located on the institution's website, and require only *de minimis* time to post. The Bureau invited comment on this assumption during the 60-day comment period, and did not receive any.

#### 1026.57(d) Annual report to the Bureau

The Bureau received about 30 student credit card issuers provide these reports to the Bureau. Respondents have the ability to provide these reports quarterly, resulting in 120 responses (30 covered persons x 4 quarters). The Bureau assumes that it takes about two hours to complete each submission. Therefore, the Bureau estimates about 240 burden hours associated with 1026.57(d) (120 responses x 2 hours per response).

The Bureau allocates to itself the burden from depository institutions with assets greater than \$10 billion and half of non-depository institutions. The Bureau allocates to itself all burden associated with 1026.57(d).

#### 1026.58(c) Internet posting of credit card agreements

The Bureau believes that these disclosures require *de minimis* burden. The Bureau invited comment on this assumption during the 60-day comment period, and did not receive any.

#### 1026.60(b) Application and solicitation disclosures

The Bureau assumes that these disclosures are not personalized to each consumer, and require 2 hours each month to produce. Therefore, the Bureau estimates that there are 360 responses each year (30 student credit card providers x 12 months), and that this update requires about 2 hours of burden each month. The total amount of burden associated with 1026.60(b) is 720 burden hours (360 responses x 2 hours). The Bureau allocates to itself all 720 burden hours.

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

Additional Materials Cost: **\$ 140,453,000**

The Bureau believes most of the required disclosures in this collection are provided electronically, and therefore incur no costs. The Bureau estimates that 90% of disclosures, other than periodic statements, are provided electronically and 95% of periodic statements are provided electronically. The Bureau estimates that all information collections in this renewal other than periodic statements are either handed to the consumer or mailed with other disclosures, therefore requiring \$0.10 of material burden. The Bureau assumes that periodic statements not received electronically are mailed to consumers at an average cost of \$0.49 per statement. Material costs for information collections estimated to have *de minimis* burden are not calculated.

### **Table 2: Current Cost Burden of Recordkeeping, Disclosure and Reporting Requirements**

Information Collection requirement	No. CFPB Responses	Per unit cost (USD)	Share electronic	CFPB Share Materials Cost (USD)
<b>Subpart B: Open Ended Credit</b>				
1026.6(a) HELOC account opening disclosures	593,000	0.1	0.9	6,000
1026.6(b) Other open-ended account opening disclosures	58,289,000	0.1	0.9	583,000
1026.7(a) HELOC periodic statements	56,403,000	0.49	0.95	1,382,000
1026.7(b) Other non-HELOC open-ended periodic statements	4,874,462,000	0.49	0.95	119,424,000
1026.9(a) Statement of billing rights	(b)	(b)	(b)	(b)
1026.9(b) Disclosures for supplemental credit access devices and additional features	1,494,000	0.1	0.9	15,000
1026.9(c)(1) Change in terms notice for HELOCs and open-ended plans	82,149,000	0.49	0.9	4,025,000
1026.9(e) Disclosures upon renewal of credit or charge card	2,663,000	0.1	0.9	27,000
1026.9(f) Change in credit card account insurance provider	(c)	(c)	(c)	(c)
1026.9(g) Increase in rates due to delinquency or default as a penalty	2,663,000	0.49	0.9	130,000
1026.11(c) Timely settlement of estate debts	767,000	0.49	0.9	38,000
1026.12(b) Liability of cardholder for unauthorized use	(b)	(b)	(b)	(b)
1026.12(e) Prompt notification of returns and credit of refunds	(b)	(b)	(b)	(b)
1026.13 Billing error resolution notice	4,071,000	0.49	0.9	199,000
1026.15(b) Notice of right to rescind	585,000	0.1	0.9	6,000
1026.16(b) Required disclosures in advertisements	(c)	(c)	(c)	(c)
1026.16(d) Advertisement of terms that require additional disclosures	(c)	(c)	(c)	(c)
1026.16(g) Disclosure of promotional rates and fees in advertisement	(c)	(c)	(c)	(c)
1026.16(h) Disclosure of deferred interest or similar offers in advertisements	(c)	(c)	(c)	(c)
<i>Subpart B Sub-total:</i>	<i>5,084,139,000</i>	<i>////////////////////</i>	<i>////////////////////</i>	<i>125,835,000</i>
<b>Subpart C: Closed-Ended Credit</b>				
1026.19 Mortgage transactions subject to RESPA	(d)	(d)	(d)	(d)
1026.19(b) and (d) Disclosure of certain variable-rate transactions	86,000	0.1	0.9	1,000

1026.19(e) & (f) Loan estimate & origination disclosures	1,527,000	0.1	0.9	15,000
1026.19(g) Special information booklet at time of application	(b)	(b)	(b)	(b)
1026.20 ARM Notice	86,000	0.1	0.9	1,000
1026.20(e) Escrow closing notice	2,462,000	0.49	0.9	121,000
1026.23 Notice of Right to Rescind	585,000	0.1	0.9	6,000
1026.24 Disclosures in advertising of mortgage terms	(c)	(c)	(c)	(c)
<i>Subpart C Sub-total:</i>	4,746,000	////////////////////	////////////////////	142,000
<b>Subpart D: Miscellaneous</b>				
1026.25 Record retention requirements	(a)	(a)	(a)	(a)
1026.26 Use of APR in oral disclosures	(b)	(b)	(b)	(b)
<i>Subpart D Sub-total:</i>				
<b>Subpart E: Special rules for certain home mortgage transactions</b>				
1026.32(c) Disclosures for high-cost mortgages	2,000	0.1	0.9	25
<u>1026.33(b) Requirements for reverse mortgage disclosures</u>	(d)	(d)	(d)	(d)
1026.34(a) Certification of housing counseling for high-cost mortgages	2,000	0.1	0.9	25
1026.35(c)(3) Written appraisals for higher-priced mortgage loans	33,000	0.1	0.9	3,000
1026.36(c)(1) Payment processing	(b)	(b)	(b)	(b)
1026.36(c)(3) Payoff statements	(b)	(b)	(b)	(b)
1026.40(a) Requirements for home equity plans (disclosure)	1,792,000	0.1	0.9	161,000
1026.40(a) Requirements for home equity plans (disclosures)	992,000	0.1	0.9	10,000
1026.41 Periodic statement for residential mortgage loans	576,000,000	0.49	0.95	14,112,000
<i>Subpart E Sub-total:</i>	578,821,000	////////////////////	////////////////////	14,286,050
<b>Subpart F: Special rules for private education loans</b>				
1026.47(a) Private student loan application or solicitation disclosures	6,053,000	0.49	0.95	148,000
1026.47(b) Private student loan approval disclosure	1,059,000	0.49	0.95	26,000
1026.47(c) Private student loan final disclosures	836,000	0.49	0.95	20,000
<i>Subpart F Sub-total:</i>	7,948,000	////////////////////	////////////////////	194,000

**Subpart G: Special Rules Applicable to credit card accounts and open-end credit offered to college students**

1026.56 Requirements for over-the-limit transactions	(b)	(b)	(b)	(b)
1026.57(b) Reporting and marketing rules for college student open-ended credit	(b)	(b)	(b)	(b)
1026.57(d) Annual report to the Bureau	(b)	(b)	(b)	(b)
1026.58(d) Posting of agreements offered to the public	(b)	(b)	(b)	(b)
1026.58(e) Agreements for all open accounts	(b)	(b)	(b)	(b)
1026.60(b) Application and solicitation disclosures	(b)	(b)	(b)	(b)
<i>Subpart G Sub-total:</i>				
<b>Total Costs for CFPB Respondents</b>	<b>5,676,109,000</b>	////////////////	////////////////////////////////////	<b>140,459,000</b>

## Notes:

- (a) The Bureau assumes that recordkeeping is electronic, and that preserving each record represents a *de minimis* burden.
- (b) The Bureau assumes *de minimis* burden.
- (c) The Bureau lacks data adequate to estimate the burden of this Regulation Z and sought comment to assist in its burden estimation during the 60-day comment period, but did not receive any.
- (d) Burden accounted for in another Control Number.(Regulation X 3170-0016)

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

There are no costs to the federal government.

**15. Program Changes or Adjustments****Table 3: Burden Changes**

	<b>Total Respondents</b>	<b>Annual Responses</b>	<b>Burden Hours</b>	<b>Cost Burden (O&amp;M)</b>
Total Annual Burden Requested	20,000	303,968,000	1,265,000	140,459,000
Current OMB Inventory	13,823	243,058,296	10,224,672	20,021,382
Difference (+/-)	6,177	60,909,704	- 8,959,672	120,437,618
Program Change	0	0	0	0
Discretionary	0	0	0	0
New Statute	0	0	0	0
Violation	0	0	0	0
Adjustment	6,177	60,909,704	- 8,959,672	120,437,618

The Bureau estimates that there is an increase of about 6,100 respondents due to new entrants into the market. Annual burden increased because the Bureau conducted a comprehensive review of the information collections in Regulation Z and the related estimated burdens. This comprehensive review resulted in the Bureau identifying information collections that OMB had approved when the Bureau inherited Regulation Z from the Board, but had not been subsequently enumerated. Finally, burden hours decreased because of industry adoption of technology in the previous several years.

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

There are no plans for the publication of the information.

**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 Code of Federal Regulations (CFR). There are no required forms or other documents upon which display of the control number and expiration date would be appropriate. However the control number is displayed on the compliance guides issued by the Bureau to aid covered entities in complying with this regulation

**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 the certification requirements.

**PART B Collections of Information Using Statistical Methods**

The information collection request does not propose the use of statistical methods; therefore, Supporting Statement Part B does not apply.

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