

SUPPORTING STATEMENT
RECORDKEEPING AND DISCLOSURE REQUIREMENTS
IN CONNECTION WITH REGULATION B
(OMB No. 3064-0085)

INTRODUCTION

The Federal Deposit Insurance Corporation (“FDIC”) is requesting OMB approval to extend, without change, the information collection entitled “Recordkeeping and Disclosure Requirements in Connection with Regulation B,” previously approved under Control Number 3064-0085. The current clearance for the collection expires on November 30, 2020.

A. Justification

1. Circumstances and Need

The requirements for this collection are contained in Regulation B – Equal Credit Opportunity, 12 C.F.R. Part 1002, issued by the Consumer Financial Protection Bureau (“CFPB”) pursuant to title VII (Equal Credit Opportunity Act) of the Consumer Credit Protection Act, as amended (15 U.S.C. 1601 *et seq.*). Section 1691(c) of the Equal Credit Opportunity Act designates the FDIC as having enforcement responsibilities in the case of state nonmember banks and state savings associations.

2. Use of Information Collected

ECOA and Regulation B prohibit discrimination in any aspect of a credit transaction because of race, color, religion, national origin, sex, marital status, age, receipt of public assistance, or having exercised a right under the Consumer Credit Protection Act. To aid in implementation of this prohibition, the statute and regulation also subject creditors to various mandatory disclosure requirements, notification provisions, credit history reporting, monitoring rules, and recordkeeping requirements. These requirements are triggered by specific events and disclosures must be provided within the time periods established by ECOA and the regulation. There are no mandatory reporting forms.

3. Use of Technology to Reduce Burden

Institutions may provide electronic disclosures consistent with the Electronic Signatures in Global and National Commerce Act, 15 U.S.C. §§ 7001 *et seq.*, and § 1002.16 of Regulation B.

4. Efforts to Identify Duplication

No other federal law mandates the Regulation B disclosures, although the Fair Credit Reporting Act requires related, but different, disclosures on some of the same circumstances. Some states may have similar requirements.

5. Minimizing the Burden on Small Businesses

ECOA and Regulation B apply to all types of creditors. Regulation B provides model forms to ease the compliance burden. Creditors that receive fewer than 150 consumer credit applications per year may provide oral notice (instead of written) to applicants about the action taken on their application.

6. Consequence of Less Frequent Collections

Regulation B information collection requirements are triggered by certain events. Disclosures must be provided to applicants within prescribed times and records must be retained for specified periods.

7. Special Circumstances

None.

8. Consultation with Persons Outside the FDIC

A 60-day Federal Register notice seeking comment was published on September 23, 2020, (85 FR 59797). No comments were received.

9. Payment or Gift to Respondents

None.

10. Confidentiality

Information is kept private to the extent allowed by law.

11. Questions of a Sensitive Nature

Applicants for mortgage loans are asked to voluntarily provide information on age, sex, race, ethnicity, and marital status so that regulators may monitor for compliance with the law. It is at the option of the applicant to provide this information and if they do not the creditor must, to the extent possible, note the ethnicity, race and sex of the applicant(s) by visual observation or surname.

12. Estimates of Annualized Hour Burden and Associated Cost

Source and Burden Reporting Burden	No. of Respondents	Annual Frequency	Total Responses	Average Time per Response	Estimated Annual Burden (Hours)¹
Credit Reporting History (1002.10)	3,309	850	2,812,650	2 min	93,755
Total Reporting					93,755
Disclosure Burden					
Disclosure for Optional Self-Test (1002.5)	972	2,500	2,430,000	1 min	40,500
Notification (1002.9)	3,309	1,715	5,674,935	2 min	189,165
Appraisal Report (1002.14(a)(1))	3,309	190	628,710	1 min	10,479
Notice of Right to Appraisal (1002.14(a)(2))	3,309	1,650	5,459,850	1	90,998
Total Disclosure					331,142
Recordkeeping Burden					
Record Retention (Applications, Actions, Pre-Screened Solicitations) (1002.12)	3,309	360	1,191,240	1 min	19,854
Record Retention (Self-Testing)(1002.12)(b)(6)	972	1	972	2 hours	1,944
Record Retention (Self-Correction) (1002.15)	243	1	243	8 hours	1,944
Total Recordkeeping					23,742
Total Burden Hours					448,639

Changes to Data and Assumptions: The burden estimates shown above include several changes from the estimates the FDIC previously provided for this information collection. The FDIC currently supervises 3,309 insured financial institutions, a decrease of 402 from the 3,711 reported in 2017. Based on recent experience, the FDIC estimates that approximately 972 of its supervised institutions conduct optional self-testing pursuant to Section 1002.12. The FDIC has also updated the annual frequencies for each burden and has revised the time per response on certain information collection items based on efficiencies due to the use of technology.

Hourly Burden Cost Estimate

To estimate the weighted average hourly compensation cost of these employees, FDIC uses the 75th percentile hourly wages reported by the Bureau of Labor Statistics (BLS) National Industry-

¹ The average hours per response shown in the table are rounded, but the Estimated Annual Burden is calculated using the full decimal and then is rounded to the nearest hour.

Specific Occupational Employment and Wage Estimates for the relevant occupations in the Depository Credit Intermediation sector, as of March 2020.

The hourly wage rates reported do not include non-monetary compensation. According to the March 2020 Employer Cost of Employee Compensation data, compensation rates for health and other benefits are 33.7 percent of total compensation. To account for non-monetary compensation, FDIC adjusts the hourly wage rates reported by BLS by that percentage and also adjusts the hourly wage by 0.79 percent based on changes in the Consumer Price Index for Urban Consumers (CPI-U) from May 2019 to March 2020 to account for inflation and ensure that the wage information is contemporaneous with the non-monetary compensation statistic.²

FDIC allocates the time required to respond to this information collection assuming that the time to respond is spent 90% by compliance officers and 10% by clerical staff. After making the adjustments discussed above and weighting the total hourly compensation for the two occupations (Compliance Officers and Clerical) the FDIC arrives at the following labor cost allocations for this information collection:

Summary of Hourly Burden Cost Estimate (3064-0085)

Estimated Category of Personnel Responsible for Complying with the PRA Burden	Total Estimated Hourly Compensation	Estimated Weights	Weighted Hourly Wage
Compliance Officers ³	\$66.43	90%	\$59.79
Clerical ⁴	\$32.99	10%	\$3.30
Weighted Average			\$63.09

Total Estimated Cost Burden

FDIC estimates the total annual cost burden for this information collection by multiplying the total annual estimated burden hours (448,639 hours) by the weighted average hourly compensation estimate (\$63.09) to arrive at an estimated annual labor cost burden of approximately \$28,304,634.51

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

2 Source: Bureau of Labor Statistics: "National Industry-Specific Occupational Employment and Wage Estimates: Industry: Credit Intermediation and Related Activities (5221 And 5223 only)" (May 2019), Employer Cost of Employee Compensation (March 2020), Consumer Price Index (March 2020). The 75th percentile wage information reported by the BLS in the Specific Occupational Employment and Wage Estimates does not include health benefits and other non-monetary benefits. According to the March 2020 Employer Cost of Employee Compensation data compensation rates for health and other benefits are 33.7 percent of total compensation. Additionally, the wage has been adjusted for inflation according BLS data on the Consumer Price Index for Urban Consumers (CPI-U) so that it is contemporaneous with the non-wage compensation statistic. The inflation rate was 0.79 percent between May 2019 and March 2020.

3 Occupation (SOC Code): Compliance Officers (131040).

4 Occupation (SOC Code): Office and Administrative Support Occupations (430000).

None.

14. Cost to Government

None.

15. Reason for Change in Burden

There is no change in the method or substance of the collection. The overall 46,974 hour reduction in total estimated annual burden (from 495,113 hours to 448,639 hours) is a result of economic fluctuation reflected in a reduction in the number of FDIC-supervised institutions, and the because of the revision of the FDIC's estimates of the number of responses and the average time required to respond to the various information collections tasks.

16. Publication

There is no publication of the information reported.

17. Display of Expiration Dates

Not applicable to these disclosures.

18. Exceptions to Certification

None.

B. STATISTICAL METHODS

Not applicable.