

**Supporting Statement
Procedures to Enhance the Accuracy and
Integrity of Information Furnished to Consumer
Reporting Agencies under Section 312 of the
Fair and Accurate Credit Transactions Act of 2003
OMB Control No. 1557-0238**

A. Justification.

1. Circumstances that make the collection necessary:

Section 312 of the FACT Act required the issuance of guidelines for use by furnishers regarding the accuracy and integrity of the information about consumers that they furnish to consumer reporting agencies and of regulations that require furnishers to establish reasonable policies and procedures for implementing the guidelines. Section 312 also required the issuance of regulations identifying the circumstances under which a furnisher must reinvestigate disputes about the accuracy of information contained in a consumer report based on a direct request from a consumer.

2. Use of the information:

Because consumer reports are used to determine whether, and, in some cases, on what terms, consumers may be eligible for credit, insurance, employment, rental housing, and other important products, services, or benefits, improving the accuracy of the information in those reports is important.

Twelve CFR 1022.42(a) requires furnishers to establish and implement reasonable written policies and procedures regarding the accuracy and integrity of consumer information that they provide to a consumer reporting agency (CRA).

Twelve CFR 1022.43(a) requires a furnisher to conduct a reasonable investigation of a dispute initiated directly by a consumer (a direct dispute) in specified circumstances and with specific requirements. Under the final rule, duties of furnishers after they receive a direct dispute include conducting a reasonable investigation and responding to the consumer within the time period applicable if the if the consumer had elected to dispute the information through a CRA.

Twelve CFR 1022.43(f)(2) incorporates the section 312 statutory requirement that a furnisher must notify a consumer by mail or other means (if authorized by the consumer) not later than five business days after making a determination that a dispute is frivolous or irrelevant. Twelve CFR 1022.43(f)(3) incorporates the section 312 content requirements for the notices.

3. Consideration of the use of improved information technology:

The collection of information does not require the use of automated, electronic, mechanical, or other technological collection techniques, however, institutions may adopt any technology relevant to producing or delivering the information.

4. *Efforts to identify duplication:*

There is no duplication. Neither the information nor similar information is available from any other source.

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

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

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

If the collection is not conducted or conducted less frequently, the requirements of the statute would not be met.

7. *Special circumstances that would cause an information collection to be conducted in a manner inconsistent with 5 CFR part 1320:*

Not applicable. This collection will be conducted consistent with the guidelines in 5 CFR part 1320.

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

The OCC issued a notice for 60 days of comment concerning the collection on March 12, 2021, 86 FR 14178. No comments were received.

9. *Payment or gift to respondents:*

None.

10. *Any assurance of confidentiality:*

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

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

There are no questions of a sensitive nature.

12. Burden estimate:

Reporting Burden

Estimated number of respondents: 5 (new charter).

Estimated reporting burden per respondent: 40 hours. (24 hours in the first year to implement written policies; 8 hours in the first year to amend procedures for handling complaints received directly from consumers; and 8 hours to implement the new dispute notice requirement.)

Total estimated annual reporting burden: 200 hours.

Disclosure Burden

Estimated number of respondents: 1,032.

Estimated number of frivolous or irrelevant disputes: 476,000.

Estimated number of additional non-frivolous or irrelevant disputes: 318,582.

Estimated burden per dispute notice: 14 minutes.

Total Estimated Disclosure Burden: 185,403 hours.

Total Burden

Total estimated annual burden: 185,603 hours.

Estimated Cost

185,603 hours x \$115.19 = \$21,379,609.57

To estimate wages the OCC reviewed May 2019 data for wages (by industry and occupation) from the U.S. Bureau of Labor Statistics (BLS) for credit intermediation and related activities excluding nondepository credit intermediaries (NAICS 5220A1). To estimate compensation costs associated with the rule, the OCC uses \$115.19 per hour, which is based on the average of the 90th percentile for six occupations adjusted for inflation (3.1 percent as of Q1 2020 according to the BLS), plus an additional 33.4 percent for benefits (based on the percent of total compensation allocated to benefits as of Q4 2019 for NAICS 522: credit intermediation and related activities).

13. Estimate of total annual costs to respondents (excluding cost of hour burden in Item #12):

None.

14. Estimate of annualized costs to the Federal government:

None.

15. Change in burden:

There is no change in burden.

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

The OCC has no plans to publish the data for statistical purposes.

17. Reasons for not displaying OMB approval expiration date:

Not applicable.

18. Exceptions to the certification statement:

None.

B. Collections of Information Employing Statistical Methods

Not applicable.