

**SUPPORTING STATEMENT FOR
STATE OFFICIAL NOTIFICATION RULE – 12 CFR SECTION 1082
OMB CONTROL NO. 3170-0019**

A. JUSTIFICATION

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

Section 1042 of the Dodd–Frank Wall Street Reform and Consumer Protection Act, 12 U.S.C. § 5552 (“the Act”), gave authority to certain state officials to enforce Title X of the Act and regulations prescribed thereunder. Section 1042 also requires that the Bureau issue a rule establishing how states are to provide notice to the Bureau before taking action to enforce the Act (or, in emergency situations, immediately after taking such an action). In accordance with the requirements of the Act, the Bureau issued a final rule (12 CFR § 1082.1) establishing that notice should be provided at least 10 days¹ before the filing of an action, with certain exceptions, and setting forth a limited set of information which is to be provided with the notice. The notification requirements substantially track the statutory language provided at 12 U.S.C. § 5552(b)) and include the following information:

- the court or body in which the action or proceeding is to be initiated;
- the identity of the parties to the action or proceeding;
- the nature of the action or proceeding to be initiated;
- the anticipated date of initiating the action or proceeding;
- the alleged facts underlying the action or proceeding;
- a contact name, electronic mail address, and phone number of an individual involved with the matter in the office of the State Official with whom the Bureau may consult;
- a determination as to whether there may be a need to coordinate the prosecution of the action or proceeding so as not to interfere with any action, including any rulemaking, undertaken by the Bureau, a prudential regulator, or another Federal agency;
- a statement by the State Official setting forth any limitations on the disclosure of the substance or fact of the notice to any person or entity outside of the recipient agency; and
- a complete and un-redacted copy of any complaint, motion for relief, or similar document that is the subject of the notice, in its form as of the date the notice is provided.

¹ Pursuant to 12 U.S.C. 5552(b), for “Emergency actions” 12 CFR §1082.1(b) requires that notice be provided “as soon as is practicable and not later than 48 hours after initiation of the action.”

When notice is provided after the initiation of an action, the written description shall also include the following information:

- a brief description of any preceding that occurred as a result of the initiation of the action or proceeding, including any orders issued by a court or other body;
- any case number, matter number, or designation assigned to the action;
- information on scheduled court or other administrative or regulatory proceedings; and
- a complete, un-redacted copy of any document filed by any party in relation to the action and any orders issued by the court or other body.

By statute, as noted above, state officials are required to provide notice to the Bureau and, as previously indicated, this notice is necessary to ensure that the Bureau is informed of pending matters and can evaluate those matters and determine a course of action. Without this rule, the

Bureau's awareness of how authorities granted by the Act are being implemented will be substantially hindered.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

The data is received by the Bureau from a state each time a state official is planning to file or files an action to enforce the Act or a regulation promulgated thereunder. The data is collected by the Bureau that will share it as necessary and appropriate elsewhere in government, pursuant to the process set out in the rules. It will also be collected by the prudential regulators (sent by the state through postal mail or electronic mail submissions) where relevant, pursuant to the statute and the Bureau's implementing regulation at 12 CFR §1082.1(a)(3). Unless used as part of a legal proceeding in which the Bureau is engaged, it is not expected that the information will be shared with the public by those receiving the notice, unless the information is already made public by the state official providing the notice.

As discussed above, the information provided in the notice is used by the Bureau (and prudential regulators, where relevant) to stay informed about the enforcement activities of state officials enforcing the Act and to decide when and how, if at all, to react to such activities.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also, describe any consideration of using information technology to reduce burden.

To ensure that the process of providing notice is both easy and fast, notice to the Bureau is provided by electronic mail. State officials have the option of providing notice electronically or by postal mail to prudential regulators.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item A.2 above.

The Bureau is not aware of any other formal process by which the Bureau would be notified of pending state enforcement actions.

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

Not applicable. The information collected will come from state officials. Small businesses or other small entities are not impacted by this collection of information.

6. Describe the consequence to federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

As discussed above, failing to collect this information may leave the Bureau without the necessary information as to pending state actions in an area of law for which the Bureau has primary regulatory authority, which will limit the Bureau's ability to consult with states and become involved as appropriate before[or after a case is filed.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

- **requiring respondents to report information to the agency more often than quarterly;**
- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- **requiring respondents to submit more than an original and two copies of any document;**
- **requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**
- **in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;**
- **requiring the use of statistical data classification that has not been reviewed and approved by OMB;**
- **that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**

- **requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentially to the extent permitted by law.**

There are no special circumstances. The collection of information is conducted in compliance with OIRA regulations in 5 CFR 1320.5(d)(2).

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years -- even if the collection-of-information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

In accordance with 5 CFR §1320.8(d)(1), the Bureau has published a notice in Federal Register that provides the public 60 calendar days to comment on the extension of reporting requirements contained within OMB Control No. 3170-0019.²

Also, in accordance with 5 CFR §1320.5(a)(1)(iv), the Bureau has also published a notice in the Federal Register providing the public 30 days to comment on reporting requirements contained within this information collection request.³

9. Explain any decision to provide any payments or gifts to respondents, other than remuneration of contractors or grantees.

Not applicable. This information collection does not provide payments of gifts to respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

² 86 FR 15206 (published on 3/22/2021).

³ 86 FR 34726 (published on 6/30/2021; comment period ends on 7/30/2021).

As set forth in the rule at 12 CFR § 1082.1(e), unless and until the information becomes publicly available, the substance and fact of the notice will not be disclosed by the Bureau or any relevant prudential regulator who received the notice except:

- as required by law;
- when the information is or becomes publicly available;
- with the permission of the state official who provided the notice; or
- by the Bureau to another state or federal entity when necessary to protect the public interest, after consultation with the state official who provided the notice.

This collection of information does involve the collection of information from or about individuals, the Privacy Act of 1974, as amended 5 U.S.C. § 552a. The Bureau has conducted the Supervision, Enforcement, and Fair Lending Data Privacy Impact Assessment and published the *CFPB.004 Enforcement Database System of Records Notice* for this collection of information.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

This information collection does not collect information of a sensitive nature.

12. Provide estimates of the hour burden of the collection of information. The statement should:

- **Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. General, estimates should not include burden hours for customary and usual business practices.**
- **If this request for approval covers more than one form, provide separate hour burden estimates for each form.**
- **Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 14.**

The information collected under the notice provisions of these rules is primarily information which state officials providing the notice would have already collected and have made available at the time notice is given. The requirements apply to all 50 states,

the District of Columbia, and all five inhabited U.S. territories. Therefore, the total number of potential respondents is 56. It is estimated that compiling and sending the requested information would require no more than 30 minutes of additional burden. Over the past three years, on average the Bureau has 3 per year.

The Bureau estimates the burden of this information collection as follows:

Information Collection Requirement	Number of Respondent	Number of Responses per Respondent	Total Responses	Average Burden Hours	Annual Burden Hours	Wage Rate	Total Burden Cost
State Official Notification Rules (12 CFR 1082.1)	3	1	3	0.5	1.5	\$33.57	\$16.78

13. Provide an estimate of the total annual cost burden to respondents or record keepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).

There are minimal annualized costs for state officials to collect and to submit this information. The Bureau considers these costs de minimis as they relate to compiling information and transmission to the Bureau.

14. Provide estimates of the annualized cost to the Federal Government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 into a single table.

The Bureau does not incur any additional Federal annualized cost as a result of this information collection.

15. Explain the reasons for any program changes or adjustments.

There are no program changes related to the information collection contained within OMB Control No. 3170-0019.

The Bureau, however, is adjusting the number of annual responses from 6 to 3. This results in a reduction of annual hourly burden from 3 hours to 1.5 hours (rounded to 2 hours in ROCIS).

16. For collections of information whose results will be published, outline plans for tabulations, and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and

ending dates of the collection of information, completion of report, publication dates, and other actions.

The Bureau does not plan to publish the collected information.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

The information collection is not collected in a manner that allows the display of the current expiration date. However, the expiration date can be found under the “Information Collections under Review” section of www.reginfo.gov (<https://www.reginfo.gov/public/do/PRAMain>).

18. Explain each exception to the certification statement.

The Bureau certifies that this collection of information is consistent with the requirements contained within 5 CFR Sections 1320.9 and 1320.8(b)(3) and is not seeking an exemption to these certification requirements.