

SUPPORTING STATEMENT
PRIVACY OF CONSUMER FINANCIAL INFORMATION
(OMB Control No. 3064-0136)

INTRODUCTION

The Federal Deposit Insurance Corporation (FDIC) is requesting a three-year renewal of the information collection for its collection (3064-0136) associated with privacy of consumer financial information. The current clearance for the collection expires on March 31, 2022. There is no change in the method or substance of the collection.

A. JUSTIFICATION

1. Circumstances that make the collection necessary:

The elements of this information collection are required under section 504 of the Gramm-Leach-Bliley Act (Act), Public Law No. 106-102. Section 502 of the Act prohibits a financial institution from disclosing nonpublic personal information about a consumer to nonaffiliated third parties unless the institution satisfies various disclosure requirements (i.e., provides a privacy notice and opt out notice) and the consumer has not elected to opt out of the disclosure. Section 504 requires the Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Office of Thrift Supervision, National Credit Union Administration, Federal Trade Commission, and Securities and Exchange Commission to issue regulations as necessary to implement the notice requirements and restrictions. The agencies issued final regulations on June 1, 2000 (65 FR 35162), and obtained OMB approval to collect the information in conjunction with that rulemaking. In December 2011, the CFPB recodified in Regulation P, 12 CFR Part 1016, the implementing regulations that were previously issued by the aforementioned agencies in 2000 (see 12 CFR 1016.1(b)).

2. Use of information collected:

Consumers use the privacy notice information to determine whether they want personal information disclosed to third parties that are not affiliated with the institution. Further, consumers use the opt-out notice mechanism to advise the bank of their wishes regarding disclosure of their personal information. Institutions use the opt-out information to determine the wishes of their consumers and to act appropriately.

3. Consideration of the use of improved information technology:

The collections are disclosures, filings from consumers, and internal institution records. Institutions are not prohibited from using any technology that facilitates

consumer understanding and response and that permits review, as appropriate, by examiners.

4. Efforts to identify duplication:

The information required by this collection is not available elsewhere.

5. Methods used to minimize burden if the collection has a significant impact on a substantial number of small entities:

The information collections do not impose any significant burden beyond that required by the statute. Because of the statutory requirements, there are no significant alternatives that minimize burden on small institutions.

This collection has a significant impact on a substantial number of small entities. In particular, according to Call Report data as of September 31, 2021, there were 3,177 FDIC-supervised institutions. 2,250 of these entities have total assets of less than \$600 million therefore meeting the Small Business Administration's definition of a "small entity."

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

The collection in the regulation closely follows the Gramm-Leach-Bliley Act, which requires institutions to provide an updated and annually restated notice to their customers of their privacy policies and practices, and to permit consumers to opt-out of disclosure of their personal information.

7. Special circumstances necessitating collection inconsistent with 5 CFR Part 1320.5(d)(2):

None. The information is collected in a manner consistent with 5 CFR Part 1320.5(d)(2).

8. Efforts to consult with persons outside the agency:

A 60-day notice seeking public comment on the FDIC's renewal of the information collection was published on December 6, 2021 (86 FR 69033). No comments were received.

9. Payment or gift to respondents:

Not applicable.

10. Any assurance of confidentiality:

Any information deemed to be of a confidential nature would be exempt from public disclosure in accordance with the provisions of the Freedom of Information Act (5 U.S.C. 552).

11. Justification for questions of a sensitive nature:

No questions of a sensitive nature are included in the collection.

12. Estimate of hour burden including annualized hourly costs:

Summary of Estimated Annual Burden (OMB No. 3064-0136)						
Information Collection Description	Type of Burden (Obligation to Respond)	Frequency of Response	Number of Respondents	Number of Responses per Respondent	Hours per Response	Annual Burden (Hours)
Initial Notice to Consumers	Third Party Disclosure (Mandatory)	On Occasion	94	1.4	60	7,896
Opt-out Notice	Third Party Disclosure (Mandatory)	On Occasion	314	1	8	2,512
Annual Notice and Change in Terms	Third Party Disclosure (Mandatory)	Annual	534	1	8	4,272
Consumer Opt-out	Third Party Disclosure (Voluntary)	On Occasion	435,225	1	0.25	108,806.25
Total Annual Burden (Hours):						123,486.25
Source: FDIC.						

Occupation and Hourly Compensation Associated with Privacy of Consumer Financial Information ICR (3064-0136)					
Information collection component:		Consumer Opt-out		Other Components	
Estimated Category of Personnel Responsible for Complying with the PRA Burden	Total Estimated Hourly Compensation	Estimated Weights	Estimated Total Weighted Labor Cost Component	Estimated Weights	Estimated Total Weighted Labor Cost Component
Executives and Managers*	\$131.09	2%	\$2.62	2%	\$2.62
Lawyers**	\$156.79	3%	\$4.70	3%	\$4.70
Compliance Officer***	\$69.38	3%	\$2.08	5%	\$3.47
IT Specialists†	\$96.71	3%	\$2.90	5%	\$4.84
Financial Analysts††	\$84.43	0%	\$0.00	85%	\$71.77
Clerical‡	\$35.62	89%	\$31.70	0%	\$0.00
Total Estimated Weighted Average Hourly Compensation Rates:		100%	\$44.00	100%	\$87.40

Source: Bureau of Labor Statistics: "National Industry-Specific Occupational Employment and Wage Estimates: Industry: Credit Intermediation and Related Activities (5221 And 5223 only)" (May 2020), Employer Cost of Employee Compensation (June 2021), Consumer Price Index (June 2021).

Note: 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 June 2021 Employer Cost of Employee Compensation data compensation rates for health and other benefits are 33.3 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 5.97 percent between May 2020 and June 2021.

* Occupation (SOC Code): Management Occupations (110000)

** Occupation (SOC Code): Legal Occupations (230000)

*** Occupation (SOC Code): Compliance Officers(131040)

† Occupation (SOC Code): Computer and Mathematical Occupations (150000)

†† Occupation (SOC Code): Financial and Investment Analysts, Financial Risk Specialists, and Financial Specialists, All Other (132098)

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

Estimated Labor Cost Associated with 3064-0136			
Information Collection Description	Estimated Hourly Compensation Cost	Estimated Annual Hourly Burden	Estimated Annual Labor Cost
Initial Notice to Consumers	\$87.40	7,896	\$690,110.40
Opt-out Notice	\$87.40	2,512	\$219,548.80
Annual Notice and Change in Terms	\$87.40	4,272	\$373,372.80
Consumer Opt-out	\$44.00	108,806.25	\$4,787,475.00
Totals		123,486.25	\$6,070,507.00

13. Estimate of start-up cost to respondents:

There are no anticipated capital, start-up, or operating costs.

14. Estimates of annualized cost to the federal government:

None.

15. Analysis of change in burden:

There is no change in the method or substance of the collection. The overall decrease in burden hours (from 141,326.25 hours to 123,486.25 hours) is the result of economic fluctuation. In particular, the respondents to the Consumer Opt-out component increased and the number of respondents to the other components declined.

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

The information contained in this collection is not published.

17. Exceptions to expiration date display:

This information collection is contained in a regulation.

18. Exceptions to certification:

None.

B. STATISTICAL METHODS

Statistical methods are not employed in this collection.