

**Supporting Statement for the  
Recordkeeping and Disclosure Requirements Associated with CFPB's Regulation Z  
(FR Z; OMB No. 7100-0199)**

**Summary**

The Board of Governors of the Federal Reserve System (Board), under authority delegated by the Office of Management and Budget (OMB), has extended for three years, with revision, the Recordkeeping and Disclosure Requirements Associated with CFPB's Regulation Z (FR Z; OMB No. 7100-0199).<sup>1</sup> The Truth in Lending Act (TILA) and Regulation Z promote the informed use of credit to consumers for personal, family, or household purposes by requiring disclosures about its terms and costs, as well as ensure that consumers are provided with timely information on the nature and costs of the residential real estate settlement process.<sup>2</sup>

The Board revised the FR Z to (1) add burden related to disclosure requirements in rules issued by the Consumer Financial Protection Bureau (CFPB) since the Board's last Paperwork Reduction Act (PRA) submission, as well as for one information collection for which the CFPB estimates burden but the Board previously did not, (2) break out and clarify burden estimates that were previously consolidated, and (3) eliminate burden associated with certain requirements because the CFPB accounts for burden for the entire industry, or because the burden is now deemed de minimis or a part of an institution's usual and customary business practices.

The current estimated total annual burden for the FR Z is 243,583 hours, and would increase to 283,981 hours. The revisions would result in an increase of 40,398 hours.

**Background and Justification**

The Board was responsible for issuing regulations to implement TILA starting with the statute's enactment in 1968; these regulations came to be memorialized as the Board's Regulation Z. Since 2011, however, the CFPB has been responsible for issuing most of the TILA regulations that apply to institutions supervised by the Board, and accordingly recodified Regulation Z in substantially duplicated form in the CFPB's regulations.<sup>3</sup> The Board has rule writing but not supervisory authority over motor vehicle dealers, as specified in section 1029 of the Dodd-Frank Act (1029 motor vehicle dealers).

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<sup>1</sup> The Truth in Lending Act (TILA) is codified at 15 U.S.C. § 1601 et seq. Regulation Z is published by the Board at 12 CFR Part 226 and by the CFPB at 12 CFR Part 1026. As explained elsewhere in this Supporting Statement, the CFPB's Regulation Z applies to the institutions supervised by the Board.

<sup>2</sup> In addition, Regulation Z contains requirements that are not considered information collections and thus are not addressed here.

<sup>3</sup> See 76 FR 79768 (December 22, 2011) (Interim Final Rule) and 81 FR 25323 (April 28, 2016) (Final Rule). See also 12 U.S.C. § 5519, section 1029 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act, Public Law 111-203, 124 Stat. 1376). The Board has rule writing but not supervisory authority over motor vehicle dealers specified in section 1029 of the Dodd-Frank Act (1029 motor vehicle dealers). Thus, the Board's Regulation Z applies to 1029 motor vehicle dealers, but the Board does not account for burden associated with Regulation Z for those entities.

TILA and Regulation Z require creditors to provide consumers with disclosures about the costs, terms, and related information regarding a wide range of credit products for personal, family or household purposes. Depending on the credit product, required disclosures include information that must be provided at the time of the consumer's application for credit, at consummation (for closed-end credit) or account-opening (for open-end credit), and throughout the term of the loan. TILA and Regulation Z also contain rules concerning recordkeeping and credit advertising.<sup>4</sup>

Regulation Z does not apply to certain types of transactions,<sup>5</sup> and generally does not apply to consumer credit transactions that exceed an annually adjusted threshold amount (\$58,300 for 2021).<sup>6</sup> However, regardless of the amount of credit extended, Regulation Z applies to (1) consumer credit secured by real property, (2) consumer credit secured by personal property used or expected to be used as the principal dwelling of the consumer, and (3) private education loans.<sup>7</sup>

### **Summary of Proposed Revisions to the FR Z**

As detailed below in the Description of Information Collection section, the Board revised FR Z to:

- Address burden related to:
  1. Disclosure requirements in rules issued by the CFPB since the Board's previous PRA submission governing consumer mortgage servicing disclosure requirements for consumers in bankruptcy and successors in interest in the property securing consumer mortgages<sup>8</sup> and
  2. The timely settlement of estate debts that is provided to estate administrators for open-end (not home-secured) credit requirements. This revision would align with the approach currently taken by the CFPB.<sup>9</sup>
- Separate out and clarify burden estimates for combined closed-end mortgage disclosures under TILA and the Real Estate Settlement Procedures Act (RESPA) integrated disclosure requirements rule (TRID Rule)<sup>10</sup> – specifically, the Loan Estimate and Closing Disclosure – which were previously consolidated with certain other closed-end credit disclosures.<sup>11</sup>
- Eliminate burden associated with certain requirements, either because:
  1. The burden for those requirements is now accounted for the CFPB's estimates (i.e., the requirement to submit annual reports for credit cards to the CFPB)<sup>12</sup> or

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<sup>4</sup> In addition, Regulation Z contains requirements that are not considered information collections and thus are not addressed here.

<sup>5</sup> Exemptions include business or agricultural credit, public utility credit, securities or commodities accounts, home fuel budget plans, certain educational loan programs, and employer-sponsored retirement plans. See 12 CFR 1026.3.

<sup>6</sup> See 85 FR 79394 (December 10, 2020).

<sup>7</sup> 12 CFR 1026.3(b).

<sup>8</sup> See 81 FR 72160 (October 19, 2016).

<sup>9</sup> See 84 FR 44604 (August 26, 2019).

<sup>10</sup> See 78 FR 79730 (December 31, 2013), as amended by 82 FR 37656 (August 11, 2017) and 83 FR 19159 (May 2, 2018).

<sup>11</sup> See 12 CFR parts 1026.19(e), 1026.19(f), 1026.37 and 1026.38.

<sup>12</sup> 84 FR 44604 (August 26, 2019).

2. The burden has been deemed de minimis or a part of an institution’s usual and customary business practices (i.e., the requirements to (a) comply with billing error provisions for non-credit card products and (b) post credit card agreements on the Internet or provide them upon request to consumers).<sup>13</sup>

## **Description of Information Collection and Proposed Revisions**

The recordkeeping and disclosure requirements of Regulation Z that are considered information collections applicable to Board-supervised institutions are described in the seven parts below. The frequency of response varies according to the level of credit activity by a creditor. No other federal law mandates these recordkeeping and disclosure requirements, although some states may have similar requirements. Not all information collections described below result in burden to Board-supervised institutions.

Part I addresses information collection requirements for open-end credit. Part II reviews information collection requirements for closed-end credit. Part III discusses information collection requirements that apply to both open- and closed-end mortgage credit. Part IV summarizes information collection requirements for specific residential mortgage types – namely, reverse mortgages and mortgage loans above certain price thresholds. Part V reviews information collection requirements for private education loans. Finally, Parts VI and VII discuss information collection requirements related to Regulation Z’s advertising and record retention requirements, respectively.

### **Part I. Open-end Credit Information Collections**

#### **A. Open-End (Not Home-Secured) Credit Plans**

##### **1. General Disclosure Rules for Open-End (Not Home-Secured) Credit Plans**

###### **a. Credit and Charge Card Applications and Solicitations (Section 1026.60).**

Generally, credit and charge card issuers must provide disclosures with applications and solicitations.<sup>14</sup> When offering cards to consumers by direct mail solicitation, card issuers must disclose in a prescribed format the key terms of the account, such as the annual percentage rate (APR), information about variable rates and fees such as annual fees, minimum finance charges, and transaction fees for purchases. Similar disclosure rules apply in telephone solicitations, and for “take-one” and magazine or catalog applications. Certain required disclosures that apply to credit cards do not apply to charge cards. Applications and solicitations for charge cards, but not for credit cards, are also required to include a statement that charges incurred by use of the charge card are due when the periodic statement is received.

**b. Account-Opening Disclosures (Section 1026.6(b)).** Creditors that offer open-end credit are required to inform consumers of costs and terms before they use the

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<sup>13</sup> See *id.*

<sup>14</sup> There are some exceptions to the rule, including for additions of a credit or charge card to an existing open-end plan or for consumer-initiated requests for applications. See 12 CFR 1026.60(a)(5).

accounts. Account-opening information must include each periodic rate that may be used to compute the finance charge, charges imposed as part of an open-end (not home-secured) plan, a description of how balances on which a finance charge is based will be calculated, a statement of billing rights, and if applicable, the fact that the creditor has or will acquire a security interest in property purchased under the plan or in other identified property. Certain terms must be presented in a tabular format.

**c. Periodic Statements (Section 1026.7(b)).** A written statement of activity on open-end accounts must be provided each billing cycle, which is typically monthly. The statement must be provided for each account that has a debit or credit balance of more than \$1 or on which a finance charge is imposed, and it must include a description of activity on the account, opening and closing balances, finance charges imposed, and payment information.

**d. Change-in-Term Disclosures (Section 1026.9).**

*Checks and other supplemental access devices (Section 1026.9(b)(3)).* A card issuer that provides checks that access a credit card account must disclose key terms in a summary table on the front of the page containing the checks if they are provided more than 30 days after the account-opening disclosures (or if the terms differ from the finance charges previously disclosed).

*Significant changes (Section 1026.9(c)(2)).* For open-end (not home-secured) plans, if the creditor makes a significant change in account terms, a creditor generally must provide written notice of the change at least 45 days prior to the effective date of the change. For certain significant changes, the creditor must provide the consumer a right to reject the change and provide disclosures regarding the right to reject, but may terminate or suspend further advances if the consumer rejects the change.<sup>15</sup>

*Renewals (Section 1026.9(e)).* If a card issuer has changed any annual or other periodic fee to renew a credit or charge card account or changed any terms required to be disclosed at account opening, and has not previously disclosed these changes to the consumer, the card issuer must mail or deliver written notice of the card renewal.

*Credit Insurance (Section 1026.9(f)).* A credit card issuer that plans to change its credit insurance provider must provide 30 days' advance notice to cardholders with information on any increased cost or substantial decrease in coverage that would result. The notice must inform consumers about their right to cancel the insurance. No later than 30 days after the change, the issuer must provide the cardholder with the following information: the name and address of the new insurance provider; a copy of the new policy or group certificate; and a statement that the cardholder may discontinue the insurance.

*Increase in interest rates due to delinquency or default or as a penalty (1026.9(g)).* Creditors must provide written notice to the consumer with specific information

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<sup>15</sup> See 12 CFR 1026.9(h).

regarding an increased rate at least 45 days in advance of the rate increase due to delinquency or default or as a penalty.

## **2. Other Information Collections for Credit and Charge Cards**

**a. Timely Settlement of Estate Debts (Section 1026.11(c)).** For credit card accounts under an open-end (not home-secured) plan, card issuers must adopt reasonable written policies and procedures designed to ensure that an administrator of an estate of a deceased account holder can determine the amount of and pay any balance on the account in a timely matter.<sup>16</sup> 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.

The Board adopted no changes to the burden estimate associated with maintaining policies for timely settlement of estate debts under this provision.

The Board adopted revisions to account separately for the requirement that card issuers respond to estate administrator requests for account balances; previously, the Board did not account for burden under this provision, but is now following the CFPB in doing so.

**b. Ability to Pay (Section 1026.51).** Card issuers must establish and maintain reasonable written policies and procedures to consider the consumer's ability to make the required minimum payments under the terms of the account based on a consumer's income or assets and a consumer's current obligations. For consumers less than 21 years old, the consumer must provide financial information indicating the consumer has an independent ability to pay and include a signed agreement of a cosigner, guarantor, or joint applicant who is at least 21 years old to be secondarily or jointly liable on the account prior to opening an account or increasing the credit line on the account.

**c. Reporting and Marketing Rules for College Student Open-End Credit (Section 1026.57(d)).** Card issuers that are a party to one or more college credit card agreements must submit annual reports to the CFPB regarding those agreements by the first business day on or after March 31 of each calendar year. The annual report must include the method or formula used to determine the amount of payments from an issuer to an institution of higher education or affiliated organization during the reporting period. In addition, each annual report must include a copy of any memorandum of understanding that directly or indirectly relates to the college credit card agreement or that controls or directs any obligations or distribution of benefits between these entities.

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<sup>16</sup> Policies and procedures also need to include the requirement that the card issuer limit the fees and increases on the annual percentage rate applicable to the account, and that, if payment is received in full within 30 days after disclosure, the card issuer must waive or rebate any additional interest charged.

The CFPB has elected to allocate to itself all burden associated with this reporting requirement.<sup>17</sup> Therefore, the Board adopted revisions to remove the burden it previously estimated for reporting and marketing rules for college student open-end credit.

**d. Internet Posting of Credit Card Agreements (Section 1026.58).** Any card issuer that issues credit cards -and had 10,000 or more open credit card accounts as of the last business day of the calendar quarter must submit credit card agreements offered to the public to the CFPB quarterly for posting on the CFPB’s public website.<sup>18</sup> These card issuers also must post on their Websites the credit card agreements that they must submit to the CFPB.<sup>19</sup> Regarding any open credit card account, a card issuer must either post and maintain the cardholder’s agreements on its website or promptly provide a copy of the agreements to the cardholder upon the cardholder’s request.<sup>20</sup>

Based on supervisory information and consistent with the conclusions of the CFPB,<sup>21</sup> the Board has determined that burden associated with these requirements is de minimis, and adopted revisions to remove the burden previously estimated to be associated with this requirement.

**e. Hybrid Prepaid Credit Cards (1026.61).** An issuer of a hybrid prepaid-credit card must, among other requirements, obtain a written authorization from the consumer to link certain credit features to the prepaid account. A hybrid prepaid-credit card is considered a “credit card” for purposes of Regulation Z and must comply with all the provisions governing credit cards under Regulation Z, including disclosure requirements.

None of the Board’s current respondents has been identified as an issuer of hybrid prepaid-credit cards; therefore, the Board considers the burden associated with this requirement to be de minimis or nonexistent.

## **B. Open-End Home-Equity Plans**

Several disclosure requirements apply specifically to open-end credit plans secured by a dwelling, commonly referred to as HELOCs.

### **1. Application Disclosures (Section 1026.40).**

Creditors must provide to the consumer at the time of application a set of disclosures describing various features of a creditor’s HELOC plans, including the length of the draw and repayment periods, how the minimum required payment is calculated, whether a balloon payment will be owed if a consumer makes only minimum required payments,

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<sup>17</sup> 84 FR 44604 (August 26, 2019).

<sup>18</sup> See 12 CFR 1026.58(a) and (c).

<sup>19</sup> See 12 CFR 1026.58(d).

<sup>20</sup> See 12 CFR 1026.58(e).

<sup>21</sup> See 84 FR 44604 (August 26, 2019).

payment examples, and what fees are charged by the creditor to open, use, and maintain the plan.

## **2. Account Opening (Section 1026.6(a)).**

Before the first transaction on a HELOC, creditors must disclose to the consumer the costs and terms of the plan, including the circumstances under which a finance charge may be imposed and how it will be determined (e.g., interest, transaction charges, minimum charges, and each periodic rate of interest that may be applied to an outstanding balance) and the corresponding APR. In addition, creditors must disclose the amount of certain charges other than finance charges, such as a late payment charge.

## **3. Periodic Statements (Section 1026.7(a)).**

Creditors must provide periodic statements reflecting account activity for the billing cycle (typically, one month). In addition to identifying each transaction on the account, creditors must identify each finance charge and each other charge assessed against the account during the statement period. Creditors must disclose the periodic rate that applies to an outstanding balance and its corresponding APR. Creditors also must disclose an “effective” or “historical” APR for the billing cycle, which includes not just interest but also finance charges imposed in the form of fees.

## **4. Change-in-Terms Notices (Section 1026.9(c)(1)(i) and (ii)).**

Creditors must send, in most cases, notices 15 days before the effective date of certain changes in the account terms.

## **5. Notices to Restrict Credit (Sections 1026.9(c)(1)(iii), 1026.40(f)(3)(i) and (f)(3)(vi)).**

If a creditor prohibits additional extensions of credit or reduces the credit limit as permitted under Regulation Z, the creditor must mail or deliver written notice to each consumer who is affected. The notice must be provided no later than three business days after the action is taken and must contain the specific reasons for the action. If the creditor requires the consumer to request reinstatement of the line, the notice also must state that fact.

# **C. Rules Applicable to All Open-End Credit**

## **1. Billing Rights and Error Resolution (Sections 1026.9(a) and 1026.13)**

**a. Billing Rights (Section 1026.9(a)).** Creditors extending open-end credit must notify consumers about their rights and responsibilities regarding billing problems. Creditors may provide either a complete statement of billing rights each year, or a

summary on each periodic statement.<sup>22</sup> The paperwork burden for the summary is included in the estimated burden for periodic statements.

**b. Error Resolution (Section 1026.13).** When a consumer alleges a billing error, the creditor must provide an acknowledgment, within 30 days of receipt, that the creditor received the consumer's error notice. Within two complete billing cycles (but in no event later than 90 days), the creditor must conduct an investigation and:

- If the alleged billing error did occur, the creditor must correct the billing error (including by crediting the account, as appropriate) and provide a correction notice to the consumer.
- If the billing error did not occur, the creditor must provide to the consumer an explanation as to why the creditor believes an error did not occur and provide documentary evidence to the consumer upon request. The creditor must also give notice of the portion of the disputed amount and related finance or other charges that the consumer still owes and notice of when payment is due.
- If a different billing error occurred than alleged, the creditor must correct the billing error and credit the consumer's account with any disputed amount and related finance or other charges, as applicable.

Based on supervisory information, the Board has concluded that material burden associated with these requirements is limited to open-end (not home-secured) credit products.

## **Part II. Closed-End Credit Information Collections**

### **A. Closed-End Credit Other than Real Estate, Home-Secured, and Private Education Loans (Sections 1026.17 and .18)**

Generally, before consummation of a closed-end consumer credit transaction, the creditor must disclose to the consumer credit terms such as the amount financed, the APR, the finance charge, the payment schedule, and other information. Key information must be highlighted for consumers through the use of certain terminology and a specific format. Transactions for which the amount financed exceeds \$58,300 for 2020 (adjusted annually based on increases in the consumer price index) are exempt unless they are private education loans or are secured by real property or a consumer's dwelling

### **B. Closed-End Mortgages**

#### **1. Application and Consummation Disclosures**

Information collections under TILA for most closed-end mortgage loans are described below. The Loan Estimate and Closing Disclosure requirements under the TRID Rule (items (b) and (c), below) apply to consumer credit transactions secured by real property or a cooperative unit, other than reverse mortgage loans. These rules are contained in

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<sup>22</sup> Regulation Z provides model language that creditors may use for the ongoing billing rights statement requirement at Appendices G-4 and G-4(A).

Regulation Z and Regulation X.<sup>23</sup> Amendments to these rules in August 2017 extended coverage of the TRID Rule to transactions secured by a cooperative unit, regardless of whether state law deems a cooperative unit to be real property, and made other clarifying changes.<sup>24</sup> The CFPB determined that the amendments did not impose any significant change in ongoing paperwork burden for covered persons.<sup>25</sup> The Board concurs with this determination.

The Board previously consolidated burden associated with the Interest Rate and Payment Summary requirements (item (a), below), the Loan Estimate and the Closing Disclosure. For clarity, the Board adopted revisions to account separately for burden associated with these information collections.

**a. Interest Rate and Payment Summary (Section 1026.18(s)), “No-Guarantee-to-Refinance” Statement (Section 1026.18(t)), and Good Faith Estimates (Section 1026.19(a)).** The requirements to provide consumers with the interest rate and payment summary disclosure and “no-guarantee to refinance” statement apply with respect to (1) closed-end loans secured by personal property (other than a cooperative unit) that is a dwelling, and that are not also secured by real property and (2) closed-end reverse mortgages.<sup>26</sup>

Creditors for these loans generally must provide consumers with interest rate and monthly payment information before consummation.<sup>27</sup> Regulation Z provides model forms clauses for these disclosures.<sup>28</sup>

For closed-end reverse mortgage loans, good faith estimates of this information also must be delivered or placed in the mail not later than the third business day after the creditor receives the consumer’s written application.

In addition, creditors for these loans must disclose a statement that there is no guarantee that the consumer can refinance the transaction to lower the interest rate or periodic payments.<sup>29</sup> Regulation Z provides a model clause for this disclosure, so de minimis burden is associated with this aspect of these requirements.<sup>30</sup>

**b. Loan Estimate (Sections 1026.19(e) and 1026.37).** For consumer credit transactions secured by real property or a cooperative unit, other than reverse

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<sup>23</sup> See 12 CFR Part 1024. The final rule reduced information collections under Regulation X, 12 CFR Part 1024. See 78 FR 79730, 80103 (December 31, 2013).

<sup>24</sup> See 82 FR 37656 (August 11, 2017) and 83 FR 19159 (May 2, 2018).

<sup>25</sup> See 82 FR 37656, 37767 (August 11, 2017). The CFPB indicated that one-time reprogramming costs might be associated with some of the requirements covered by this rulemaking, but did not specify coverage of cooperative units for the Loan Estimate and Closing Disclosure, and did not estimate burden associated with this potential cost. See *id.*

<sup>26</sup> See, e.g., Official Staff Commentary, Section 1026.18-3 and .18(s)-4. These disclosure requirements also apply to unsecured consumer credit and credit secured by personal property that is not a dwelling. See *id.*

<sup>27</sup> See 12 CFR 1026.17(b).

<sup>28</sup> See 12 CFR part 1026, App. H-4(E) through H-4(J).

<sup>29</sup> 12 CFR 1026.18(t).

<sup>30</sup> See 12 CFR part 1026, App. H-4(K).

mortgage loans, creditors must provide to consumers within three business days after receipt of the consumer's application a Loan Estimate disclosure form. Creditors must provide a revised Loan Estimate (or, as appropriate, use the Closing Disclosure) in transactions where the closing costs are revised from the amounts previously disclosed on the initial Loan Estimate.<sup>31</sup>

**c. Closing Disclosure (Sections 1026.19(f) and 1026.38).** For consumer credit transactions secured by real property or a cooperative unit, other than reverse mortgage loans, creditors must ensure that consumers receive a Closing Disclosure form at least three business days before consummation.

**d. Receipt of Documentation of Counseling for Negative Amortization Loans (Section 1026.36(k)).** A creditor is prohibited from extending closed-end, dwelling-secured credit to a first-time borrower that has negative amortization (other than a reverse mortgage or a transaction secured by a timeshare plan interest), unless the creditor receives documentation that the consumer has obtained homeownership counseling from a counseling organization or counselor certified or approved by the U.S. Department of Housing and Urban Development (HUD).

The Board concurs with the CFPB that the burden associated with this requirement is de minimis – in part due to the scarcity of negative amortization loans.<sup>32</sup>

## 2. Post-Consummation Disclosures

**a. Disclosure of Rate Adjustments Resulting in Payment Changes (Section 1026.20(c)).** Creditors, assignees, or servicers of adjustable rate mortgages (ARM) secured by a consumer's principal dwelling are generally required to provide consumers with disclosures with specific information about the rate change and its timing prior to the adjustment of the interest rate on the mortgage, if the interest rate change will result in a payment change. The timing of the disclosures depends on the circumstances of the rate adjustment.

Disclosures under section 1026.20(c) are not required for: (1) ARMs with a term of one year or less or (2) the first interest rate adjustment to an ARM if the first payment at the adjusted level is due within 210 days of consummation and the rate disclosed at consummation (in compliance with section 1026.20(d), below) was not an estimate.

**b. Disclosure of Initial Rate Change for ARMs (Section 1026.20(d)).** Creditors, assignees, or servicers of ARMs secured by the consumer's principal dwelling are generally required to provide consumers with certain information pertaining to the

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<sup>31</sup> Consistent with a Regulation X requirement that had applied before the TRID Rule, the final rule also requires the creditor to provide the consumer with a written list of a available settlement service providers when the consumer has a choice. See section 1026.19(e)(1)(vi). The CFPB included the burden of this requirement in the burden calculation for the Loan Estimate, because the timing of this requirement coincides with the provision of the Loan Estimate. See 78 FR 79730, 80101 (December 31, 2013).

<sup>32</sup> See 78 FR 6856, 6960 (January 31, 2013).

ARM's initial rate change. This disclosure must be provided as a separate document between 210 and 240 days before the first payment at the adjusted rate is due. If the first payment at the adjusted rate is due within the first 210 days after consummation, the disclosures must be provided at consummation.

Disclosures required under this section must provide consumers with information related to the timing and nature of the rate change. These disclosures are not required for ARMs with a term of one year or less.

**c. Periodic Statements (Section 1026.41).** Creditors, assignees, or servicers of closed-end, dwelling-secured mortgages are generally required to provide consumers with periodic statements for each billing cycle. Servicers must provide consumers that are more than 45 days delinquent on past payments additional information regarding their accounts on their periodic statements.

Periodic statements are not required for the following transaction types: reverse mortgage transactions; mortgage loans secured by a consumer's interest in a timeshare plan; fixed-rate loans where the servicer currently provides consumers with coupon books that contain certain information; and creditors, assignees, or servicers that meet the "small servicer" exemption.<sup>33</sup>

The CFPB published a final rule amending the periodic statement and other post-consummation requirements of Regulation Z in October 2016 (October 2016 final rule).<sup>34</sup> In the October 2016 final rule, the CFPB required servicers to state the length of the consumer's delinquency, in addition to the content already required, and made certain other changes regarding the periodic statement requirements. The CFPB did not categorize these changes as involving additional information collections, and the Board concurs.

In the October 2016 final rule, the CFPB also required servicers to provide modified coupon books or periodic statements for certain consumers in bankruptcy, triggered by specified events.<sup>35</sup> The rule adds timing and content requirements for these modified coupon books and periodic statements. If the mortgage loan has more than one primary obligor, the servicer, at its option, may provide the modified statement to

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<sup>33</sup> A small servicer is a servicer that (1) services, together with any affiliates, 5,000 or fewer mortgage loans, for all of which the servicer (or an affiliate) is the creditor or assignee, (2) is a Housing Finance Agency, as defined in 24 CFR 266.5, or (3) is a nonprofit entity that services 5,000 or fewer mortgage loans, including any mortgage loans serviced on behalf of associated nonprofit entities, for all of which the servicer or an associated nonprofit entity is the creditor. In the October 2016 final rule, the CFPB added the following mortgage loans to the list of mortgage loans that may not be considered when determining whether a servicer qualifies for the small servicer exemption: 1) Mortgage loans serviced by the servicer for a non-affiliate for which the servicer does not receive compensation or fees and 2) transactions serviced for a seller finance that meets the criteria in 12 CFR 1026.36(a)(5). See 12 CFR 1026.41(e)(4).

<sup>34</sup> 81 FR 72160 (October 19, 2016).

<sup>35</sup> In a subsequent amendment to this section in March 2018, the CFPB clarified that a servicer need not provide the periodic statement or coupon book on the first date after these triggering events, but must provide the appropriate periodic statements or coupon books thereafter. See 83 FR 10559 (March 12, 2018), amending 12 CFR 1026.41(e)(5)(iv)(B).

any or all of the primary obligors, even if a primary obligor to whom the servicer provides the modified statement is not a debtor in bankruptcy. Sample disclosures are provided in Appendix H to Part 1026.<sup>36</sup> The CFPB deemed these requirements to comprise new information collections, and the Board concurs.

**d. Post-Consummation Disclosures for Confirmed Successors in Interest (Sections 1026.20(c), 1026.20(e), 1026.36, 1026.39, and 1026.41).**

The CFPB’s October 2016 final rule expanded the scope of several post-consummation disclosure requirements by requiring servicers to comply with these rules with respect to “confirmed successors in interest” – generally, individuals who assume ownership of the property securing a closed-end residential mortgage.<sup>37</sup> Specifically, the rule requires servicers to provide successors in interest with ARM disclosures under sections 1026.20(c) and (d); escrow account cancellation notices under section 1026.20(e); payoff statements under section 1026.36; notification of the sale or transfer of the mortgage loans secured by the property of the successor in interest under section 1026.39; and periodic statements under section 1026.41.

The October 2016 final rule gives servicers some flexibility, such as the option of customizing model forms to avoid confusing or misleading successors in interest who have not assumed the mortgage loan obligation. In addition, the rule gives servicers a process to be exempt from having to provide these disclosures to confirmed successors in interest: servicers are allowed (but not required) to provide confirmed successors in interest with an initial explanatory written notice and acknowledgment form. The notice must explain that the confirmed successor in interest is not liable on the mortgage unless and until the confirmed successor in interest assumes the mortgage loan obligation under State law. The notice must also state that the confirmed successor in interest must return the acknowledgment form in order to receive the relevant servicing notices.<sup>38</sup>

The CFPB determined that the expansion of the post-consummation disclosure requirements to include successors in interest comprises information collections,<sup>39</sup> and the Board concurs.

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<sup>36</sup> See H-30(E) Sample Form of Periodic Statement for Consumer in Chapter 7 or Chapter 11 Bankruptcy. H-30(F) Sample Form of Periodic Statement for Consumer in Chapter 12 or Chapter 13 Bankruptcy.

<sup>37</sup> The October 2016 final rule addresses the process for confirming the status of a successor in interest under Regulation X, 12 CFR 1024.36(i) and 1024.38(b)(1)(vi). The CFPB accounts for paperwork burden associated with Regulation X for all industry respondents. See, e.g., 81 FR 72160, 72367-72369 (October 19, 2016).

<sup>38</sup> See 12 CFR 1024.32(c), 1026.20(f), 1026.39(f), and 1026.41(g). If the servicer opts to use a compliant acknowledgement form, the servicer does not have to provide the disclosures until the confirmed successor in interest provides an executed acknowledgment that the person wants to receive the disclosures, or assumes the mortgage loan obligation under State law. See *id.*

<sup>39</sup> See 81 FR 72160, 72368 (October 19, 2016).

### **3. Loan Originator Compensation (Section 1026.36)**

The loan originator compensation rules in section 1026.36 apply to loan originators and loan originator organizations that receive compensation in connection with consumer credit transactions secured by a dwelling.

Institutions subject to these rules are required to conduct a credit check for loan originators and comply with certain recordkeeping requirements. The Board believes that credit checks of new employees are conducted in the normal course of business for financial services employers. Also, Board supervisory staff have observed that few new loan originators join creditors' staffs each year, so any burden would be de minimis. Therefore, the Board does not include burden estimates for this requirement. The recordkeeping requirements associated with Regulation Z are addressed in Part VII, below.

### **4. Ability-to-Repay Requirements/Qualified Mortgages (QMs) (Section 1026.43)**

Section 1026.43 requires lenders to make a reasonable and good faith determination, based on verified and documented information, of a borrower's ability to repay a closed-end loan secured by a dwelling.<sup>40</sup> Section 1026.43 also establishes a presumption of compliance with the ability-to-repay requirement for creditors that make QMs. These requirements apply generally to any loan secured by a dwelling, but do not include, for example, HELOCs, timeshares, or reverse mortgages.

Creditors' reasonable and good faith determination of a borrower's ability to repay a mortgage must be based on verified and documented information, accounting for multiple factors. Factors that must be considered include, for example, monthly mortgage payments, current and reasonably expected income or assets, employment status, and debt obligations. Creditors must verify the information relied upon to determine the borrower's ability to repay using reliable third-party records. Special rules are provided for verification of a consumer's income or assets. Creditors originating QMs must verify the consumer's income or assets; current debt, alimony and child support obligations; and monthly debt-to-income ratio.

The Board previously accounted for one-time burden to creditors associated with reviewing the final ability-to-repay and QM rules.<sup>41</sup> Regarding on-going burden, the

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<sup>40</sup> See 12 CFR 1026.43(c). See also 78 FR 6408 (January 30, 2013) (implementing TILA section 129C, 15 U.S.C. § 1638c). The CFPB issued several subsequent final rules to amend Regulation Z relating to the ability-to-repay requirement and QM standards, including final rules that (1) provided a new definition of QM for small creditors and an exemption for certain creditors and community-focused lending programs from the ability-to-repay requirement (78 FR 35430 (June 12, 2013)), (2) clarified certain ability-to-repay and QM criteria (78 FR 44686 (July 24, 2013) and 78 FR 60382 (October 1, 2013)), (3) established a cure mechanism to the points and fees limit applicable to QM loans (78 FR 65300 (November 3, 2014)), and, most recently, (4) further expanded the definitions of small creditor and rural and underserved areas, which are terms that relate to the QM standards (80 FR 59943 (October 2, 2015) and 81 FR 16074 (March 25, 2016)). The CFPB believed that these additional final rules would not comprise additional information collections.

<sup>41</sup> See 81 FR 27130 (May 5, 2016).

CFPB previously determined that the verification and documentation requirements of the ability-to-repay and QM provisions would not result in additional ongoing burden for most entities covered by the rules.<sup>42</sup> The CFPB reasoned that creditors generally have pre-existing underwriting policies and procedures and internal controls that require verification of the factors addressed in the ability-to-repay and QM provisions. The Board concurs.

Recordkeeping requirements for the ability-to-repay/QM rules are addressed in Part VII, below.

### **Part III. Open- and Closed-End Home Mortgage Loan Information Collections**

#### **A. Mortgage Servicing Disclosures**

##### **1. Payoff statements (Section 1026.36(c)(3))**

For consumer credit transactions secured by a dwelling, a creditor, assignee, or servicer must provide an accurate statement of the total outstanding balance that would be required to pay the consumer's obligation in full as of a specific date, generally no more than seven business days after receiving a written request from the consumer or person acting on behalf of the consumer.<sup>43</sup>

##### **2. Notification of the Sale or Transfer of Mortgage Loans (Section 1026.39)**

A person that acquires title to a mortgage loan<sup>44</sup> must mail or deliver a notification to the consumer on or before the 30<sup>th</sup> calendar day following the date of transfer.<sup>45</sup> The notification requirements generally apply only to persons that acquire legal title to more than one existing consumer mortgage loan in any 12-month period.

The notification must identify the loan that was acquired or transferred and contain the following information (1) the identity, address, and telephone number of the person that acquired the mortgage loan, (2) the date of the transfer, (3) contact information that the consumer can use to reach an agent or party authorized to receive notice of the right to rescind and resolve issues concerning the consumer's loan payments, and (4) the place where the transfer of the ownership of the debt is recorded or the fact that the transfer has not been recorded in public records at the time the disclosure is provided.

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<sup>42</sup> See 78 FR 6408, 6582 (January 30, 2013). In addition, the CFPB stated that, "in response to the [proposed ability-to-repay rule, 76 FR 27390 (May 11, 2011)], commenters stated that most creditors today are already complying with the full ability-to-repay underwriting standards. For these institutions, there would be no additional burden as a result of the verification requirements in the final rule, since those institutions collect the required information in the normal course of business." Id.

<sup>43</sup> See 78 FR 10902, 11003-11004 (February 14, 2013).

<sup>44</sup> A "mortgage loan" is defined for this requirement as an "open-end consumer credit transaction that is secured by the principal dwelling of a consumer" and a "closed-end consumer credit transaction secured by a dwelling or real property."

<sup>45</sup> See 78 FR 79730 (December 31, 2013).

In addition, for closed-end consumer credit transactions secured by a dwelling or real property (other than a reverse mortgage), the disclosure must include certain specified information about the partial payment policy of the person acquiring the loan.<sup>46</sup>

#### **Part IV. Special Rules for Certain Home Mortgage Types**

Certain types of mortgage products, such as reverse mortgages, high-cost mortgages, and “higher-priced mortgage loans,” trigger special disclosures.

##### **A. Reverse Mortgages (Sections 1026.31(c)(2) and 1026.33)<sup>47</sup>**

A reverse mortgage transaction is a loan secured by the equity in a home, based on which disbursements are made to homeowners until the homeowner dies, moves permanently, or sells the home. The creditor relies on the home’s future sale value for repayment. Creditors offering reverse mortgages must provide the disclosures generally required by Regulation Z for open- and closed-end mortgage loans, as applicable.

In addition, Regulation Z requires reverse mortgage creditors to give consumers disclosures specific to reverse mortgage transactions at least three business days before loan consummation (for closed-end loans) or the first transaction (for open-end loans). These disclosures must include:

- Projected total cost of credit for specified loan periods (two years, actuarial life expectancy, or longer term), in a prescribed table format,
- Itemization of loan terms, charges, the age of the youngest borrower, and the appraised property value,
- An explanation of the table of total annual loan cost rates, and
- Notice that receiving disclosures or applying for the loan does not obligate the consumer to complete the transaction.

##### **B. Home Ownership and Equity Protection Act (HOEPA) Loans (Sections 1026.31, 1026.32, 1026.34, and 1026.36)**

In addition to providing the other disclosures required for consumer mortgages by Regulation Z, creditors offering mortgages with rates or fees above certain cost thresholds (“high-cost mortgages”) must provide cost disclosures and a notice at least three days before consummation for closed-end credit or account opening for open-end credit. Types of mortgage loans that can qualify for HOEPA protections include closed-end refinance and home equity loans, purchase-money mortgages, and HELOCs.<sup>48</sup>

The high-cost mortgage disclosures include the APR; regular payment amount, minimum payment information for variable-rate loans, and the amount of any permitted balloon payment; and the total amount borrowed for closed-end loans or credit limit for open-end

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<sup>46</sup> As discussed earlier, the CFPB determined that additional burden associated with this disclosure is negligible. See 78 FR 79730, 80102 (December 31, 2013).

<sup>47</sup> For additional disclosures applicable to certain closed-end reverse mortgages, see Part II.B.1.d, above.

<sup>48</sup> See 78 FR 6856 (January 31, 2013).

loans.<sup>49</sup> A notice must warn consumers about the potential of losing their home and remind consumers that they are not obligated to complete the transaction. If the creditor changes any terms that are to be reflected on the disclosures, the creditor generally must provide the consumer with new disclosures and allow the consumer another three days to consider the transaction before consummation.

Further, a creditor is prohibited from extending a high-cost mortgage unless the creditor receives written certification that the consumer has obtained counseling on the advisability of the mortgage from a counselor approved by HUD, or a state housing authority, if permitted by HUD.

### **C. Higher-Priced Mortgage Loans (HPMLs)**

#### **1. Appraisal Requirements (1026.43)<sup>50</sup>**

The Dodd-Frank Act amended TILA to impose special appraisal requirements for loans meeting APR thresholds for “higher-priced mortgage loans” (HPMLs).<sup>51</sup>

**a. Initial Written Appraisal (Section 1026.43(c)(1)).** Before consummating an HPML, a creditor must obtain a written appraisal performed by a certified or licensed appraiser who conducts a physical visit of the interior of the property that will secure the transaction.

**b. Safe Harbor (Section 1026.43(c)(2)).** The HPML appraisal rule provides a “safe harbor” to creditors for compliance with the written appraisal requirement. An information collection burden is associated with reviewing each appraisal obtained for adherence to the safe harbor elements, as specified in the rule text and Appendix N to the rule.

**c. Additional Written Appraisal (Section 1026.43(d)).** A creditor is required to obtain a second appraisal for a HPML if (1) the seller acquired the property securing the loan 90 or fewer days prior to the date of the consumer’s agreement to acquire the property and the resale price exceeds the seller’s acquisition price by more than 10 percent or (2) the seller acquired the property securing the loan 91 to 180 days prior to the date of the consumer’s agreement to acquire the property and the resale price

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<sup>49</sup> Some of the cost disclosures required for HOEPA loans overlap with items required to be disclosed on the Loan Estimate and Closing Disclosure (for closed-end credit) or HELOC disclosures (for open-end credit). However, there are distinctions, such as that the interest rate rather than the APR is required on the Loan Estimate and Closing Disclosure (e.g., 12 CFR 1026.32(c)(2) and 12 CFR 1026.37(b)(2)). For HELOCs, one distinction between the HOEPA rules and standard HELOC disclosure rules is that the HOEPA rules require cost estimates based on the total amount borrowed (12 CFR 1026.32(c)(2)), rather than on a \$10,000 example (12 CFR 1026.40(d)(5)).

<sup>50</sup> Board-supervised institutions are also covered by the Board’s version of the HPML appraisal rules in the Board’s Regulation Z at 12 CFR 226.43, which are substantially similar to the CFPB’s version at 12 CFR 1026.43.

<sup>51</sup> See 15 U.S.C. § 1639h. Six federal agencies were required to issue joint rules implementing these provisions, and did so in February 2013. See 78 FR 10368 (February 13, 2013) and 78 FR 78520 (December 26, 2013). A supplemental final rule providing for additional exemptions from the special HPML appraisal requirements was issued in December 2013. See 78 FR 78520 (December 26, 2013). The effective date for these rules was January 18, 2014.

exceeds the seller's acquisition price by more than 20 percent. The Additional Written Appraisal must meet the standards of the Initial Written Appraisal and contain additional analysis.

**d. Copy of Appraisals (Section 1026.43(f)(1)).** A creditor is required to provide a copy of the Initial Written Appraisal and the Additional Written Appraisal to the consumer.

## **Part V. Special Rules for Private Education Loans (Subpart F)<sup>52</sup>**

Disclosures for private education loans must be given at different times in the loan origination process. The content requirements of the disclosures varies depending on the time at which they are provided. Generally, creditors must disclose, among other items, the interest rate, fees, repayment terms, cost estimates, eligibility requirements, and loan alternatives of the private education loan.

### **A. Application or Solicitation Disclosures (Section 1026.47(a))**

Disclosures must be provided on or with any application or solicitation for a private education loan. The creditor may provide the disclosures orally in a telephone application or solicitation. Alternatively, if the creditor does not disclose the information orally, the creditor generally must provide the disclosures or mail them no later than three business days after the consumer has applied for the credit.<sup>53</sup>

### **B. Approval Disclosures (Section 1026.47(b))**

Disclosures also must be provided before consummation on or with any notice to the consumer that the creditor has approved the consumer's application for a private education loan. If the creditor provides approval to the consumer by mail, the disclosures must be mailed at the same time as the approval. If the creditor provides approval by telephone, the creditor must mail the disclosures within three business days of the approval.

### **C. Final Disclosures (Section 1026.47(c))**

Final disclosures must be provided to the consumer after the consumer accepts the private education loan. The creditor is prohibited from disbursing funds until at least three business days after the consumer receives the final disclosures.<sup>54</sup>

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<sup>52</sup> Model forms for each of the following disclosures are available in Appendix H-18 for the application or solicitation disclosures required in section 1026.47(a), Appendix H-19 for the approval disclosures required in section 1026.47(b), and Appendix H-20 for the final disclosures required in section 1026.47(c).

<sup>53</sup> If the creditor either denies the consumer's application or provides or mails the approval disclosures no later than three business days after the consumer requests the credit, the creditor need not also provide the application disclosures.

<sup>54</sup> See 12 CFR 1026.48(d).

## **Part VI. Advertising Requirements (Sections 1026.16 and 1026.24)**

Advertising rules for open-end credit in section 1026.16 and for closed-end credit in section 1026.24 apply to all persons who promote the availability of open-end or closed-end credit through commercial messages in any form, including print or electronic media, direct mailings, and displays. With some variations, sections 1026.16 and 1026.24 both require advertisers to include certain basic credit information if the advertisement refers to specified credit terms or costs. In addition, specified disclosures are required for advertisements of HELOCs (section 1026.16(d)), open-end credit with a promotional rate (section 1026.16(g)), open-end credit with a deferred interest or similar offer (section 1026.16(h)), and closed-end credit secured by a consumer's principal dwelling (section 1026.24(f)).

## **Part VII. Record Retention Requirements (Section 1026.25)**

A creditor generally must retain evidence of compliance with Regulation Z (other than the advertising requirements under sections 1026.16 and 1026.24, for which no record retention rules apply) for a two-year period after the date the disclosures are required to be made or other action is required to be taken. Generally, no paperwork burden is deemed to be associated with the recordkeeping requirement of Regulation Z (subpart D, section 1026.25) because the regulation does not specify the records to be retained as evidence of compliance.

More specific record retention requirements are as follows:

- Evidence of compliance with the integrated TILA-RESPA disclosure provisions of Regulation Z must be retained for three years after the later of the date of consummation, the date disclosures are required to be given, or the date on which action is required to be taken.<sup>55</sup> The Closing Disclosure and all documents pertaining to the Closing Disclosure must be retained for five years after consummation.<sup>56</sup>
- Evidence of compliance with the loan originator compensation provisions must be retained by the creditor for three years after the date of payment to the loan originator.<sup>57</sup>
- Evidence of compliance with the ability-to-repay and QM provisions must be retained by the creditor for three years after consummation.<sup>58</sup>

The Board has determined that the records required to be retained under Regulation Z are retained by creditors of consumer credit in the normal course of business, with no additional burden imposed by the regulatory requirements.

### **Respondent Panel**

The FR Z panel comprises state member banks with assets of \$10 billion or less that are not affiliated with an insured depository institution with assets over \$10 billion (irrespective of the consolidated assets of any holding company); non-depository affiliates of such state member banks; and non-depository affiliates of bank holding companies that are not affiliated with an

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<sup>55</sup> See 12 CFR 1026.25(c)(1)(i) (regarding requirements under section 1026.19(e) and (f)).

<sup>56</sup> See 12 CFR 1026.25(c)(1)(ii) (regarding requirements under section 1026.19(f)(1)(i) and (f)(4)(i)).

<sup>57</sup> See 12 CFR 1026.25(c)(2) (regarding requirements under section 1026.36).

<sup>58</sup> See 12 CFR 1026.25(c)(3) (regarding requirements under section 1026.43).

insured depository institution with assets over \$10 billion.<sup>59</sup> However, the CFPB and the Federal Trade Commission (FTC) also have administrative enforcement authority over nondepository institutions for Regulation Z.<sup>60</sup> Accordingly, the CFPB allocates to itself half of the estimated burden to non-depository institutions, with the other half allocated to the FTC.<sup>61</sup>

The Board's ability to reduce regulatory burden for small entities under Regulation Z is limited because, as noted, the Dodd-Frank Act transferred rule writing authority for Board-supervised institutions under Regulation Z to the CFPB. Nonetheless, the Board has taken steps to minimize burden on small entities through tailored supervision, including through a risk-focused consumer compliance supervision program and an examination frequency policy that provides for lengthened time between examinations for institutions with a lower risk profile.

The Board allocates to itself all estimated burden to state member banks with assets of \$10 billion or less that are not affiliated with an insured depository institution with assets over \$10 billion.

### **Time Schedule for Information Collection**

FR Z is triggered by specific events, and disclosures must be provided to consumers within the time periods established by the TILA and regulation. There is no reporting form associated with FR Z.

### **Public Availability of Data**

There are no data related to this information collection available to the public.

### **Legal Status**

The recordkeeping, disclosure, and other requirements of Regulation Z are authorized by TILA, which directs the CFPB and, for certain lenders, the Board to issue regulations implementing the statute (15 U.S.C. § 1604). The obligation to respond is mandatory.

The disclosures, records, policies and procedures required by Regulation Z are not required to be submitted to the Board. To the extent such information is obtained by the Board through the examination process, they may be kept confidential under exemption 8 of the Freedom of Information Act, which protects information contained in or related to an examination of a financial institution (5 U.S.C. § 552(b)(8)).

### **Consultation Outside the Agency**

The Board consulted with the CFPB regarding the estimated burden of this information collection.

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<sup>59</sup> See, e.g., 12 U.S.C. §§ 5515-5516.

<sup>60</sup> See 12 U.S.C. §§ 5514-5516.

<sup>61</sup> See, e.g., 78 FR 6408, 6481 (January 30, 2013); 78 FR 11280, 11408 (February 15, 2013); 78 FR 79730, 80100 (December 31, 2013).

## Public Comments

On April 16, 2021, the Board published an initial notice in the *Federal Register* (86 FR 20156) requesting public comment for 60 days on the extension, with revision, of the FR Z. The comment period for this notice expired on June 15, 2021. The Board did not receive any comments. The Board adopted the extension, with revision, of the FR Z as originally proposed. On September 1, 2021, the Board published a final notice in the *Federal Register* (86 FR 49028).

## Estimate of Respondent Burden

As shown in the table below, the estimated total annual burden for the FR Z is 243,583 hours, and would increase to 283,981 hours with the revisions. The revisions would result in an increase of 40,398 hours. Respondent counts were determined based on institutions' reporting of the specific types of loans on the 2018 Consolidated Reports of Condition and Income (Call Reports) (FFIEC 031, FFIEC 041, and FFIEC 051; OMB No. 7100-0036), with the following specific exceptions. Respondents for the Interest Rate and Payment Summary and "No-guarantee-to-refinance" statement were determined based on institutions reporting reverse mortgage lending activity on the 2018 Call Reports or having at least one manufactured home loan application in 2017 Home Mortgage Disclosure Act Loan/Application Register (FR HMDA LAR; OMB No. 7100-0247) data. Respondents for HOEPA disclosures and HOEPA receipt of certification of counseling for high-cost mortgages were determined based on 2018 Call Reports and 2017 HMDA data. Respondents for appraisals for higher-priced mortgage loans were determined based on 2018 Call Reports and 2017 HMDA data. These recordkeeping and disclosure requirements represent approximately 3.7 percent of the Board's total paperwork burden.

<b>FR Z</b>	<i>Estimated number of respondents</i>	<i>Annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
<b>Current</b>				
<b>Open-end credit (Not home-secured)</b>				
Section 1026.60				
Applications and solicitations	161	395	0.0014	89
Section 1026.6(b)				
Account opening disclosures	516	1,150	0.003	1,780
Section 1026.7(b)				
Periodic statements	516	16,131	0.017	141,501
Section 1026.9				
Change-in-terms disclosures	516	1,344	0.017	11,790
Section 1026.11(c)				
Timely settlement of estate debts policies	161	1	0.75	121
Section 1026.51				
Ability to pay policies	161	1	0.75	121
Sections 1026.57(d) and 1026.58	161	4	8.0	5,152

Reporting and marketing rules  
for college student open-end  
credit and Internet posting of  
credit card agreements

**Open-end credit (Home-equity)**

Section 1026.40

Application disclosures	596	495	0.0014	413
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Section 1026.6(a)

Account opening disclosures	596	340	0.017	3,445
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Section 1026.7(a)

Periodic statements	596	5,340	0.017	54,105
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Sections 1026.9(c)(1)(i) and (ii)

Change-in-terms disclosures	596	89	0.017	902
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Sections 1026.9(c)(1)(iii) and  
1026.40(f)(3)(i) and (f)(3)(vi)

Notices to restrict credit	596	72	0.017	730
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**All open-end credit**

Sections 1026.9(a) and 1026.13

Error resolution:

Credit cards	161	13	0.5	1,047
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Other open-end credit	634	2	0.5	634
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**Closed-end credit (Non-mortgage)**

Sections 1026.17 and 1026.18

Closed-end credit disclosures	741	183	0.017	2,305
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**Closed-end credit (Mortgage)**

Sections 1026.18(s) and  
1026.18(t)(1)

Interest rate and payment  
summary and “No-guarantee-to-  
refinance” statement

	300	25	0.017	128
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Section 1026.20(c)

ARM disclosures	757	15	0.003	34
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Section 1026.20(d)

Initial rate adjustment notice	757	9	0.003	20
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Section 1026.41

Periodic statements	757	570	0.017	7,335
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**Open and closed end mortgage**

Section 1026.36(c)(3)

Payoff statements	757	29	0.003	66
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Section 1026.39

Mortgage transfer disclosure	757	78	0.003	177
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**Certain home mortgage types**

Sections 1026.31(c)(2) and  
1026.33

	4	117	0.017	8
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Reverse mortgage disclosures

Sections 1026.31, 1026.32, and 1026.36

HOEPA disclosures	32	2	0.017	1
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Section 1026.34(a)(5)(i)

HOEPA Receipt of certification of counseling for high-cost mortgages	32	2	0.003	0
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Sections 226.43(c)(1), (c)(2), (d), (e), and (f)

Appraisals for higher-priced mortgage loans:

Order and review initial appraisal	674	29	0.25	4,887
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Order and review additional appraisal	674	29	0.25	4,887
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Provide copy of initial and additional appraisals	674	1.2	0.25	202
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**Private education loans**

Section 1026.47

Private student loan disclosures	24	694	0.0074	123
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**Advertising rules (All credit types)**

Sections 1026.16 and 1026.24

Advertising rules	758	5	0.417	<u>1,580</u>
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<i>Current Total</i>				<u>243,583</u>
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**Proposed<sup>62</sup>**

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<sup>62</sup> Of these respondents, the small entities as defined by the Small Business Administration (i.e., entities with less than \$600 million in total assets), <https://www.sba.gov/document/support-table-size-standards>, are as follows: 94 for the Open-end credit (Not home-secured) Applications and solicitations, Account opening disclosures, Periodic statements, Change-in-terms disclosures, Timely settlement of estate debts policies, Timely settlement of estate debts account information to estate administrator, and Ability to pay policies; 390 for Open-end credit (Home-equity) Application disclosures; 324 for Open-end credit (Home-equity) Account opening disclosures, Periodic statements, and Change-in-terms disclosures; 390 for Open-end credit (Home-equity) Notices to restrict credit; 94 for All open-end credit Error resolution Credit cards; 528 for Closed-end credit (Non-mortgage) Closed-end credit disclosures; 165 for Closed-end credit (Mortgage) Interest rate and payment summary and “No-guarantee-to-refinance” statement; 528 for Closed-end credit (Mortgage) Loan estimate and Closing disclosure; 537 for Closed-end credit (Mortgage) ARM disclosures, Initial rate adjustment notice, Periodic statements, Periodic statements in bankruptcy (One-time), Periodic statements in bankruptcy (Ongoing), Post consummation disclosure for successors in interest (One-time), and Post consummation disclosure for successors in interest (Ongoing); 537 for Open and closed end mortgage Payoff statements and Mortgage transfer disclosure; 1 for Certain home mortgage types Reverse mortgage disclosures; 28 for Certain home mortgage types HOEPA disclosure, HOEPA receipt of certification of counseling for high-cost mortgages; 479 for Certain home mortgage types Appraisals for higher-priced mortgage loans Review and provide copy of initial appraisal, Investigate and verify requirement for additional appraisal, and Review and provide copy of additional appraisal; 0 for Private education loans Private student loan disclosure; and 538 for Advertising Rules (All credit types) Advertising rules.

**Open-end credit (Not home-secured)**

Section 1026.60				
Applications and solicitations	161	395	0.0014	89
Section 1026.6(b)				
Account opening disclosures	516	551	0.003	853
Section 1026.7(b)				
Periodic statements	516	17,139	0.017	150,343
Section 1026.9				
Change-in-terms disclosures	516	1,428	0.017	12,526
Section 1026.11(c)				
Timely settlement of estate debts policies	161	1	0.750	121
Section 1026.11(c)(2)				
Timely settlement of estate debts account information to estate administrator	161	9	0.003	4
Section 1026.51				
Ability to pay policies	161	1	0.75	121

**Open-end credit (Home-equity)**

Section 1026.40				
Application disclosures	596	495	0.003	885
Section 1026.6(a)				
Account opening disclosures	596	340	0.017	3,445
Section 1026.7(a)				
Periodic statements	596	5,340	0.017	54,105
Sections 1026.9(c)(1)(i) and (ii)				
Change-in-terms disclosures	596	89	0.017	902
Sections 1026.9(c)(1)(iii) and 1026.40(f)(3)(i) and (f)(3)(vi)				
Notices to restrict credit	596	72	0.017	730

**All open-end credit**

Sections 1026.9(a) and 1026.13				
Error resolution				
Credit cards	161	13	0.5	1,047

**Closed-end credit (Non-mortgage)**

Sections 1026.17 and 1026.18				
Closed-end credit disclosures	741	183	0.017	2,305

**Closed-end credit (Mortgage)**

Sections 1026.18(s) and 1026.18(t)(1)				
Interest rate and payment summary and “No-guarantee-to-refinance” statement	300	25	0.017	128

Sections 1026.19(e) and 1026.37 Loan estimate	757	525	0.017	6,756
Sections 1026.19(f) and 1026.38 Closing disclosure	757	386	0.017	4,967
Section 1026.20(c) ARM disclosures	757	15	0.003	34
Section 1026.20(d) Initial rate adjustment notice	757	9	0.003	20
Section 1026.41 Periodic statements	757	570	0.017	7,335
Sections 1026.41(e) and (f) Periodic statements in bankruptcy (One-time)	757	1	16.5	12,491
Sections 1026.41(e) and (f) Periodic statements in bankruptcy (Ongoing)	757	6	0.017	77
Sections 1026.20(c)-(e), 1026.36, 1026.39, and 1026.41 Post-consummation disclosures for successors in interest (One- time)	757	1	16.5	12,491
Sections 1026.20(c)-(e), 1026.36, 1026.39, and 1026.41 Post-consummation disclosures for successors in interest (Ongoing)	757	1	0.17	129
<b>Open and closed end mortgage</b>				
Section 1026.36(c)(3) Payoff statements	757	29	0.017	373
Section 1026.39 Mortgage transfer disclosure	757	39	0.003	89
<b>Certain home mortgage types</b>				
Sections 1026.31(c)(2) and 1026.33 Reverse mortgage disclosures	4	117	0.017	8
Sections 1026.31, 1026.32, and 1026.36 HOEPA disclosures	32	2	0.017	1
Section 1026.34(a)(5)(i) HOEPA receipt of certification of counseling for high-cost mortgages	32	2	0.003	0
Sections 1026.43 (c), (d), and (f) Appraisals for higher-priced mortgage loans: Review and provide copy of	674	29	0.25	4,887

initial appraisal				
Investigate and verify requirement for additional appraisal	674	29	0.25	4,887
Review and provide copy of additional appraisal	674	1.2	0.25	202
<b>Private education loans</b>				
Section 1026.47				
Private student loan disclosures	24	694	0.003	50
<b>Advertising rules (All credit types)</b>				
Sections 1026.16 and 1026.24				
Advertising rules	758	5	0.417	<u>1,580</u>
	<i>Proposed Total</i>			283,981
			<i>Change</i>	40,398

The estimated total annual cost to the public for the FR Z is \$14,407,934, and would increase to \$16,797,476 with the revisions.<sup>63</sup>

### Sensitive Questions

These collections of information contain no questions of a sensitive nature, as defined by OMB guidelines.

### Estimate of Cost to the Federal Reserve System

The cost to the Federal Reserve System is negligible.

<sup>63</sup> Total cost to the public was estimated using the following formula: percent of staff time, multiplied by annual burden hours, multiplied by hourly rates (30% Office & Administrative Support at \$20, 45% Financial Managers at \$73, 15% Lawyers at \$72, and 10% Chief Executives at \$95). Hourly rates for each occupational group are the (rounded) mean hourly wages from the Bureau of Labor and Statistics (BLS), *Occupational Employment and Wages May 2020*, published March 31, 2021, <https://www.bls.gov/news.release/ocwage.t01.htm>. Occupations are defined using the BLS Standard Occupational Classification System, <https://www.bls.gov/soc/>.