

SUPPORTING STATEMENT
FURNISHER INFORMATION ACCURACY AND INTEGRITY (FACTA 312)
(OMB Control No. 3064-0161)

INTRODUCTION

The Federal Deposit Insurance Corporation (FDIC) is requesting a three-year renewal of the information collection for its collection (3064-0161) associated with privacy of consumer financial information. The current clearance for the collection expires on April 30, 2022. There is no change in the method or substance of the collection.

A. JUSTIFICATION

1. Circumstances that make the collection necessary:

The Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, the Office of Thrift Supervision (OTS), the National Credit Union Administration, and the Federal Trade Commission, (Agencies) were required by section 312 of the Fair and Accurate Credit Transactions Act of 2003 (FACT Act) to issue guidelines for use by furnishers regarding the accuracy and integrity of the information about consumers that they furnish to consumer reporting agencies and prescribe regulations requiring furnishers to establish reasonable policies and procedures for implementing the guidelines. Section 312 also required the Agencies to issue regulations identifying the circumstances under which a furnisher must reinvestigate disputes about the accuracy of information contained in a consumer report based on a direct request from a consumer. The regulations covering this information collection are contained in Regulation V of the Consumer Financial Protection Bureau's regulations, Fair Credit Reporting, 12 CFR Section 1022. The FDIC examines for compliance with Regulation V and takes enforcement action when warranted.

2. Use of information collected:

Section 1022.42(a) requires furnishers to establish and implement reasonable written policies and procedures regarding the accuracy and integrity of information relating to consumers that they provide to a consumer reporting agency (CRA). This rule requires furnishers to put into writing policies and procedures that address their section 312 responsibilities regarding the accuracy and integrity of information. Furnishers' accuracy and integrity policies and procedures may include their existing policies and procedures that are reasonable and appropriate.

Section 1022.43(a) permits consumers to initiate disputes directly with the furnishers. This gave consumers a new way to dispute consumer report information; instead of having to go through a CRA as permitted by the Fair

Credit Reporting Act, consumers now have the right to go directly to the furnisher in certain circumstances. Under the rule, furnishers have to follow a process substantially similar to what they currently use for handling disputes submitted through a CRA. Furnishers need to amend their procedures to ensure that disputes received directly from consumers are handled in a substantially similar manner to the CRA dispute process.

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

3. Consideration of the use of improved information technology:

Financial institutions may adopt any existing technology relevant to producing or delivering the information.

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 30, 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:

Without this information, the Agencies would be unable to meet the requirements of the statute.

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 January 13,2022 (87 FR 2155). 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. 3064-0161)					
Information Collection Description	Type of Burden (Obligation to Respond)	Number of Responses	Number of Respondents	Hours per Response	Annual Burden (Hours)
Procedures to Enhance the Accuracy and Integrity of Information furnished to Consumer Reporting Agencies under Section 312 of the Fair and Accurate Credit Transaction Act	Recordkeeping (Required)	1	3,140	40	125,600
Distribution of Notices in Response to Direct Disputes	Third Party Disclosure (Required)	46	3,140	0.23	33,221
Total Annual Burden (Hours)					158,821

Total recordkeeping estimated annual burden hours: 125,600

Total recordkeeping estimated annual cost: 125,600 hours x \$99.68 = \$12,519,808

Total third party disclosure estimated annual burden hours: 33,221

Total third party disclosure estimated annual cost: 33,221 hours x \$87.96 = \$2,922,119

 Total combined estimated annual burden hours: 158,821

Total combined estimated annual cost: \$12,519,808 + \$2,922,119 = \$15,441,927

Summary of Hourly Burden Cost Estimate (OMB No. 3064-0161)					
		Procedures to Enhance the Accuracy and Integrity of Information furnished to Consumer Reporting Agencies under Section 312 of the Fair and Accurate Credit Transaction Act		Distribution of Notices in Response to Direct Disputes	
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	15%	\$19.66	0%	\$0.00
Lawyers	\$156.79	10%	\$15.68	15%	\$23.52
Compliance Officers	\$69.38	30%	\$20.81	65%	\$45.10
IT Specialists	\$96.71	45%	\$43.52	20%	\$19.34
Financial Analysts	\$84.43	0%	\$0.00	0%	\$0.00
Clerical	\$35.62	0%	\$0.00	0%	\$0.00
Total Estimated Weighted Average Hourly Compensation Rate			\$99.68		\$87.96

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 increase in burden hours (from 157,807 hours to 158,821 hours) is the result of economic fluctuation. In particular, the number of respondents decreased and the number of responses increased (for third party disclosure) while the hours per response remained the same.

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.