

**Supporting Statement for
OMB Control No. 1557-0246
Reverse Mortgage Products – Guidance for
Managing Compliance and Reputation Risks**

A. Justification.

1. *Circumstances that make the collection necessary:*

On December 16, 2009, the OCC, FDIC, FRB, and NCUA sought comment on the guidance,¹ which they issued in final form on August 17, 2010.² The guidance focuses on the need to provide adequate information to consumers about reverse mortgage products, to provide qualified independent counseling to consumers considering these products, and to avoid potential conflicts of interest. It also addressed related policies, procedures, internal controls, and third party risk management.

2. *Use of the information:*

The information collection requirements contained in the guidance include implementation of policies and procedures, training, and program maintenance.

- Institutions offering reverse mortgages should have written policies and procedures that prohibit the practice of directing a consumer to a particular counseling agency or contacting a counselor on the consumer's behalf.
- Policies should be clear so that originators do not have an inappropriate incentive to sell other products that appear linked to the granting of a mortgage.
- Legal and compliance reviews should include oversight of compensation programs so that lending personnel are not improperly encouraged to direct consumers to particular products.
- Training should be designed so that relevant lending personnel are able to convey information to consumers about product terms and risks in a timely, accurate, and balanced manner.

3. *Consideration of the use of improved information technology:*

Institutions may use any means of improved information technology that meets the requirements of the guidance.

4. *Efforts to identify duplication:*

1 74 FR 66652.

2 75 FR 50801.

To the extent that institutions already have policies in place that comply with the requirements of the guidance, no new policies would be necessary. Generally, the guidance to adopt policies and internal controls for reverse mortgage products would be consistent with an institution's existing loan policies.

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

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

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

Reverse mortgage lending risks could not be adequately monitored by the OCC.

7. *Special circumstances necessitating collection inconsistent with 5 CFR Part 1320:*

Not applicable. This information is collected in a manner consistent with the guidelines in 5 CFR 1320.6.

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

On January 28, 2022, the OCC published a 60-day notice for this information collection, 87 FR 4711. The OCC received one comment in response to the notice from a trade association. The commenter referenced the quality, utility, and clarity of the information collected in the context of the guidance itself. However, the commenter made no specific recommendations regarding the information collection. The OCC will consider the suggestions made by the commenter for revising the interagency guidance in connection with any potential future discussions with the Board of Governors of the Federal Reserve and the FDIC.

9. *Payment to respondents:*

Not applicable. There is no payment to respondents.

10. *Any assurance of confidentiality:*

No assurance of confidentiality is provided.

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

Not applicable.

12. *Burden estimate:*

Number of respondents: 12 (11 existing, 1 new).

Burden per respondent:

40 hours to implement policies and procedures and to provide training.

8 hours annually to maintain program.

Burden calculation:

11 existing respondents x 8 hours annually to maintain program = 88 hours

1 new respondent x 8 hours annually to maintain program = 8 hours

1 new respondent x 40 hours to implement policies and procedures and to provide training = 40 hours.

Total estimated annual burden: 136 hours.

Cost of Hour Burden:

136 hours x \$114.17 = \$15,527.12

To estimate wages, the OCC reviewed May 2020 data for wages (by industry and occupation) from the U.S. Bureau of Labor Statistics (BLS) for credit intermediation and related activities (NAICS 5220A1). To estimate compensation costs associated with the rule, the OCC uses \$114.17 per hour, which is based on the average of the 90th percentile for six occupations adjusted for inflation (2 percent as of Q1 2021), plus an additional 33.4 percent for benefits (based on the percent of total compensation allocated to benefits as of Q4 2020 for NAICS 522: credit intermediation and related activities).

13. *Estimates of annualized costs to respondents:*

Not applicable.

14. *Estimate of annualized cost to the Federal Government:*

Not applicable.

15. *Change in burden:*

Former Burden: 160 Hours.

Current Burden: 136 Hours.

Difference: - 24 Hours.

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

Not applicable. This information will not be published for statistical use.

17. *Display of expiration date:*

Not applicable.

18. *Exceptions to certification statement:*

None.

B. Collections of Information Employing Statistical Methods.

Not applicable.