

SUPPORTING STATEMENT  
REGISTRATION OF MORTGAGE LOAN ORIGINATORS – SAFE ACT  
(OMB Control No. 3064-0171)

INTRODUCTION

The Federal Deposit Insurance Corporation (FDIC) is requesting a three-year extension, with revisions of the information collection for its collection (3064-0171) associated with the registration of mortgage loan originators. The current clearance for the collection expires on June 30, 2022.

A. JUSTIFICATION

1. Circumstances that make the collection necessary:

The Secure and Fair Enforcement for Mortgage Licensing Act (the S.A.F.E. Act), which was enacted as Title V of the Housing and Economic Recovery Act of 2008, Pub. L. No.110-289, requires employees of certain financial institutions and their subsidiaries, who engage in the business of a mortgage loan originator (“MLO”) to register with Nationwide Mortgage Licensing System and Registry; a web-based system developed and maintained by the Conference of State Bank Supervisors and the American Association of Residential Mortgage regulators jointly through the State Regulatory Registry LLC. The S.A.F.E. Act also provides that these institutions must require their employees, who act as MLOs to comply with this Act’s requirements to register and obtain a unique identifier, and must adopt and follow written policies and procedures to assure compliance with these requirements. The FDIC regulation implementing the S.A.F.E. Act was originally codified at 12 CFR Part 365. However, in 2011, pursuant to the Dodd-Frank Act, Part 365 was superseded by 12 CFR Part 1007 (the Bureau of Consumer Financial Protection’s regulation).

2. Use of information collected:

The information collected is designed to improve the flow of information to and between regulators; provide accountability and tracking of MLOs, enhance consumer protections, reduce fraud in the residential mortgage loan origination process and provide consumers with easily accessible information at no charge regarding the employment history of, and publicly adjudicated disciplinary and enforcement actions against, MLOs.

3. Consideration of the use of improved information technology:

Federal registration and state licensing and registration must be completed through the Nationwide Mortgage Licensing System and Registry; a web-based system developed and maintained by the Conference of State Bank Supervisors and the American Association of Residential Mortgage regulators jointly through

the State Regulatory Registry LLC. The electronic form is stored in a secured, centralized repository.

4. Efforts to identify duplication:

The collections of information are unique and cover the institution's particular circumstances. No duplication exists.

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

According to Call Report data as of September 30, 2021, there were 3,177 FDIC-supervised institutions. Of these entities, 2,250 have total assets of less than \$600 million therefore meeting the Small Business Administration's definition of a "small entity." However, the impact on these small entities would not be significant.

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

Without this information, the FDIC 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:

The information collection does not request information of a sensitive nature.

12. Estimate of hour burden including annualized hourly costs:

**Summary of Annual Burden (OMB 3064-0171)**

Information Collection Description	Type of Burden	Frequency of Response	Estimated Number of Respondents	Estimated Number of Responses per Respondent	Estimated Time per Response (Hours)	Estimated Annual Burden (Hours)
1. Financial Institution Policies and Procedures for Ensuring Employee-Mortgage Loan Originator Compliance With S.A.F.E. Act Requirements – New Entrant (Three-Year Average)	Recordkeeping	One-Time	7	1	20	140
2. Financial Institution Policies and Procedures for Ensuring Employee-Mortgage Loan Originator Compliance With S.A.F.E. Act Requirements – Ongoing	Recordkeeping	Annual	3,091	1	1	3,091
3. Financial Institution Procedures to Track and Monitor Compliance with S.A.F.E. Act Compliance – New Entrant (Three-Year	Recordkeeping	One-Time	7	1	60	420

Average)						
4. Financial Institution Procedures to Track, Monitor and Test Compliance with S.A.F.E. Act Compliance – Ongoing	Recordkeeping	Annual	3,091	1	1	3,091
5. Financial Institution Procedures for the Collection and Maintenance of Employee Mortgage Loan Originator's Criminal History Background Reports – New Entrant	Recordkeeping	One-Time	7	1	20	140
6. Financial Institution Procedures for the Collection and Maintenance of Employee Mortgage Loan Originator's Criminal History Background Reports – Ongoing	Recordkeeping	Annual	3,091	1	1	3,091
7. Financial Institution Procedures for Public Disclosure of Mortgage Loan Originator's Unique	Third Party Disclosure	One-Time	7	1	25	175

Identifier – New Entrant						
8. Financial Institution Procedures for Public Disclosure of Mortgage Loan Originator's Unique Identifier - Ongoing	Third Party Disclosure	Annual	3,091	1	1	3,091
9. Financial Institution Information Reporting to Registry	Reporting	On Occasion	3,098	1	1	3,098
10. Mortgage Loan Originator Initial Registration Reporting and Authorization Requirements, Including Fingerprints.	Reporting	One-Time	5,257	1	2	10,514
11. Mortgage Loan Originator Registration Updates Upon Change in Circumstances	Reporting	On Occasion	40,015	1	.25	10,004
12. Financial Institution Procedures for the Collection of Employee Mortgage Loan Originator's Fingerprints	Recordkeeping	On Occasion	3,098	1	4	12,392
13. Mortgage Loan Originator Procedures for Disclosure to Consumers of Unique	Third Party Disclosure	On Occasion	45,272	1	1	45,272

Identifier						
14. Mortgage Loan Originator Annual Renewal Registration Reporting and Authorization Requirements, Including Fingerprints	Reporting	On Occasion	40,015	1	2	80,030
<b>Total Annual Burden</b>						<b>174,549</b>

	Category of Personnel Responsible for Complying with the PRA Burden						
	Executives & Managers <sup>1</sup>	Lawyers <sup>2</sup>	Compliance Officer <sup>3</sup>	IT <sup>4</sup>	Financial Analysts <sup>5</sup>	Clerical <sup>6</sup>	
Adjusted Wage	\$131.09	\$156.79	\$69.38	\$96.71	\$84.43	\$35.62	
	Percentage of Category Responsible for Complying with the PRA Burden						Total Estimated Weighted Average Hourly Compensation Rate
1. Financial Institution Policies and Procedures for Ensuring Employee-Mortgage Loan Originator Compliance With S.A.F.E. Act Requirements – New Entrant	10%	0%	80%	0%	0%	10%	\$72.18
2. Financial Institution Policies and Procedures for Ensuring Employee-Mortgage Loan Originator Compliance With S.A.F.E. Act Requirements – Ongoing	10%	0%	80%	0%	0%	10%	\$72.18
3. Financial Institution	0%	0%	70%	0%	0%	30%	\$59.25

<sup>1</sup> Occupation (SOC Code): Management Occupations (110000)

<sup>2</sup> Legal Occupations (230000)

<sup>3</sup> Compliance Officers (131040)

<sup>4</sup> Computer and Mathematical Occupations (150000)

<sup>5</sup> Financial and Investment Analysts, Financial Risk Specialists, and Financial Specialists, All Other (132098)

<sup>6</sup> Office and Administrative Support Occupations (430000)

Procedures to Track and Monitor Compliance with S.A.F.E. Act Compliance – New Entrant							
4. Financial Institution Procedures to Track and Monitor Compliance with S.A.F.E. Act Compliance – Ongoing	0%	0%	70%	0%	0%	30%	\$59.25
5. Financial Institution Procedures for the Collection and Maintenance of Employee Mortgage Loan Originator's Criminal History Background Reports – New Entrant	0%	0%	50%	0%	0%	50%	\$52.50
6. Financial Institution Procedures for the Collection and Maintenance of Employee Mortgage Loan Originator's Criminal History Background Reports – Ongoing	0%	0%	50%	0%	0%	50%	\$52.50

7. Financial Institution Procedures for Public Disclosure of Mortgage Loan Originator's Unique Identifier – New Entrant	0%	0%	40%	0%	0%	60%	\$49.12
8. Financial Institution Procedures for Public Disclosure of Mortgage Loan Originator's Unique Identifier - Ongoing	0%	0%	40%	0%	0%	60%	\$49.12
9. Financial Institution Information Reporting to Registry	0%	0%	10%	0%	0%	90%	\$39.00
10. Mortgage Loan Originator Initial Registration Reporting and Authorization Requirements	0%	0%	0%	0%	50%	50%	\$60.03
11. Mortgage Loan Originator Registration Updates Upon Change in Circumstances	0%	0%	0%	0%	50%	50%	\$60.03
12. Financial Institution Procedures for the	0%	0%	0%	0%	80%	20%	\$74.67

Collection of Employee Mortgage Loan Originator's Fingerprints							
13. Mortgage Loan Originator Procedures for Disclosure to Consumers of Unique Identifier	0%	0%	0%	0%	100%	0%	\$84.43
14. Mortgage Loan Originator Annual Renewal Registration Reporting and Authorization Requirements	0%	0%	0%	0%	50%	50%	\$60.03

Line Item	Estimated Annual Burden (Hours)	Total Estimated Weighted Average Hourly Compensation Rate	Total Estimated Cost Burden
1. Financial Institution Policies and Procedures for Ensuring Employee-Mortgage Loan Originator Compliance With S.A.F.E. Act Requirements – New Entrant	140	\$72.18	\$10,105.20
2. Financial Institution Policies and Procedures for Ensuring Employee-Mortgage Loan Originator Compliance With S.A.F.E. Act Requirements – Ongoing	3,091	\$72.18	\$223,108.38
3. Financial Institution Procedures to Track and Monitor Compliance with S.A.F.E. Act Compliance – New Entrant	420	\$59.25	\$24,885.00
4. Financial Institution Procedures to	3,091	\$59.25	\$183,141.75

Track and Monitor Compliance with S.A.F.E. Act Compliance – Ongoing			
5. Financial Institution Procedures for the Collection and Maintenance of Employee Mortgage Loan Originator's Criminal History Background Reports – New Entrant	140	\$52.50	\$7,350.00
6. Financial Institution Procedures for the Collection and Maintenance of Employee Mortgage Loan Originator's Criminal History Background Reports – Ongoing	3,091	\$52.50	\$162,277.50
7. Financial Institution Procedures for Public Disclosure of Mortgage Loan Originator's Unique Identifier – New Entrant	175	\$49.12	\$8,596.00
8. Financial Institution Procedures for Public Disclosure of Mortgage Loan Originator's Unique Identifier - Ongoing	3,091	\$49.12	\$151,829.92
9. Financial Institution Information Reporting to Registry	3,098	\$39.00	\$120,822.00
10. Mortgage Loan Originator Initial Registration Reporting and Authorization Requirements	10,514	\$60.03	\$631,155.42
11. Mortgage Loan Originator Registration Updates Upon Change in Circumstances	10,004	\$60.03	\$600,540.12
12. Financial Institution Procedures for the Collection of Employee Mortgage Loan Originator's Fingerprints	12,392	\$74.67	\$925,310.64
13. Mortgage Loan Originator Procedures for Disclosure to Consumers of Unique Identifier	45,272	\$84.43	\$3,822,314.96
14. Mortgage Loan Originator Annual Renewal Registration Reporting and Authorization Requirements	80,030	\$60.03	\$4,804,200.90
<b>Total Burden Estimate</b>			<b>\$11,675,637.79</b>

13. Estimate of start-up cost to respondents:

None.

14. Estimates of annualized cost to the federal government:

None.

15. Analysis of change in burden:

The FDIC has adjusted its burden estimate by segregating certain recordkeeping and third-party disclosure requirements (items 1 through 8 in the burden table above) into “implementation” burden for a limited number of “new entrants” that will incur a higher one-time burden to set up or implement the requirements; and a lower “ongoing” burden for the majority or respondents that have already implemented the requirements and are only making necessary revisions. As a result, the estimated annual burden has decreased by 401, 104 hours from 575,653 hours to 174,549 hours. The overall decrease is attenuated by increases in estimated time per response to three line items.

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.