

**SUPPORTING STATEMENT  
REVERSE MORTGAGE PRODUCTS  
(OMB No. 3064-0176)**

**INTRODUCTION**

The FDIC is requesting OMB approval of the three-year extension, without change, of its collection of information entitled “Reverse Mortgage Products” (OMB Control No. 3064-0176) which consists of reporting requirements contained in a guidance document, *Reverse Mortgage Products: Products: Guidance for Managing Compliance and Reputation Risks* (Reverse Mortgage Guidance), jointly issued by the federal financial institution regulatory agencies, including the FDIC. There is no change in the method or substance of the collection which currently expires on July 31, 2023.

**A. JUSTIFICATION**

**1. Circumstances that make the collection necessary:**

Section 1828(o) of the Federal Deposit Insurance Act requires each federal banking agency to adopt uniform regulations prescribing real estate lending standards. Part 365 of the FDIC Rules and Regulations and Appendix A to Part 365 implement section 1828(o) and, among other things, require institutions to have real estate lending policies that include limits and standards consistent with safe and sound banking practices and prudent underwriting standards. While part 365 and Appendix A to part 365 primarily address the credit, interest rate, and liquidity risks to safety and soundness posed by real estate lending, such loans, particularly reverse mortgage loans, also present compliance and reputation risks that must be managed by an institution. The Federal Financial Institutions Examination Council (FFIEC) developed the Reverse Mortgage Guidance to address the unique compliance and reputation risks associated with such mortgages and recommended that each of the FFIEC member agencies issue the document as supervisory guidance. The FDIC issued its Reverse Mortgage Guidance on August 17, 2010.<sup>1</sup> The guidance sets forth standards intended to encourage FDIC-supervised institutions to effectively assess and manage the compliance and reputation risks associated with reverse mortgage products.

**2. Use of the information:**

The FDIC will use the information as part of its supervisory process. The information collection will allow the FDIC to evaluate the adequacy of an institution’s internal policies and procedures as they relate to reverse mortgage products. Examiners will assess whether reverse mortgage loans made by the institutions are consistent with existing statutory and regulatory consumer protection criteria, as well as principles of risk management as part of the safety and soundness examination of the institution.

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

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<sup>1</sup> 75 FR 50801 (August 17, 2010).

FDIC-supervised institutions may use any technology they wish in order to lessen the burden of meeting this recordkeeping requirement.

4. **Efforts to identify duplication:**

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 requirement to adopt policies and internal controls for reverse mortgage products would be supplementary to a bank's existing loan policies.

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

All FDIC-supervised institutions, large and small, are affected. Small insured state nonmember banks and state savings associations generally have a narrower range of products and less complex operations. Therefore, these smaller institutions may not offer reverse mortgages. The requirement that institutions adopt policies and internal controls to ensure appropriate consumer disclosures is the minimum necessary to ensure that the compliance and reputation risk arising from reverse mortgage products are adequately addressed. Small entities can choose whether to offer reverse mortgage products.

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

Less frequent collection would hinder the FDIC's ability to assess the safety and soundness of FDIC-supervised institutions and take corrective action as needed.

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 1320.5(d)(2).

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

The FDIC published a notice in the *Federal Register* seeking comment for a 60-day period on renewal of this information collection on June 1, 2023 (88 FR 35874). No comments have been received.

9. **Payment or gifts to respondents:**

None.

**10. Any assurance of confidentiality:**

Information is kept private to the extent allowed by law.

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

Not applicable. No sensitive information is collected.

**12. Estimate of hour burden including annualized hourly costs:**

Summary of Estimated Annual Burden (OMB No. 3064-0176)					
Information Collection (Obligation to Respond)	Type of Burden (Frequency of Response)	Number of Respondents	Number of Responses per Respondent	Time per Response (HH:MM)	Annual Burden (Hours)
1. Reverse Mortgage Products - Implementation, 12 CFR 365 (Mandatory)	Recordkeeping	1	1	40:00	40
2. Reverse Mortgage Products - Ongoing, 12 CFR 365 (Mandatory)	Recordkeeping	30	1	08:00	240
<b>Total Annual Burden (Hours):</b>					<b>280</b>
Source: FDIC.					
<p>Note: The annual burden estimate for a given collection is calculated in two steps. First, the total number of annual responses is calculated as the whole number closest to the product of the annual number of respondents and the annual number of responses per respondent. Then, the total number of annual responses is multiplied by the time per response and rounded to the nearest hour to obtain the estimated annual burden for that collection. This rounding ensures the annual burden hours in the table are consistent with the values recorded in the OMB's regulatory tracking system.</p>					

Summary of Hourly Burden Cost Estimate (OMB No. 3064-0176)								
Information Collection (Obligation to Respond)	Hourly Weight (%)	Percentage Shares of Hours Spent by and Hourly Compensation Rates for each Occupation Group (by Collection)						Estimated Hourly Compensation Rate
		Exec. & Mgr. (\$133.82)	Lawyer (\$165.76)	Compl. Ofc. (\$64.61)	IT (\$102.64)	Fin. Anlst. (\$101.15)	Clerical (\$37.83)	
1. Reverse Mortgage Products -	14.29	5	5	85	0	0	5	\$71.79

Implementation, 12 CFR 365 (Mandatory)								
2. Reverse Mortgage Products - Ongoing, 12 CFR 365 (Mandatory)	85.71	5	5	85	0	0	5	\$71.79
<b>Weighted Average Hourly Compensation Rate:</b>								<b>\$71.79</b>
<p>Source: Bureau of Labor Statistics: 'National Industry-Specific Occupational Employment and Wage Estimates: Industry: Credit Intermediation and Related Activities (5221 And 5223 only)' (May 2021), Employer Cost of Employee Compensation (March 2021), and Employment Cost Index (March 2021 and December 2022). Standard Occupational Classification (SOC) Codes: Exec. And Mgr = 11-0000 Management Occupations; Lawyer = 23-0000 Legal Occupations; Compl. Ofc. = 13-1040 Compliance Officers; IT = 15-0000 Computer and Mathematical Occupations; Fin. Anlst. = 13-2051 Financial and Investment Analysts; Clerical = 43-0000 Office and Administrative Support Occupations.</p> <p>Note: The estimated hourly compensation rate for a given collection is the average of the hourly compensation rates for the occupations used to comply with that collection, weighted by the share of hours spent by each occupation. The weighted average hourly compensation rate is the average of the estimated hourly compensation rates for all information collections, weighted by the share of hourly burden for each collection. These hourly weights, calculated as the estimated number of annual burden hours in a given collection over the total estimated number of annual burden hours across all collections, are shown in the "Hourly Weight" column of this table.</p>								

Total Estimated Cost Burden (OMB No. 3064-0176)			
Information Collection Request	Annual Burden (Hours)	Weighted Average Hourly Compensation Rate	Annual Respondent Cost
Reverse Mortgage Products	280	\$71.79	\$20,101
<b>Total Annual Respondent Cost:</b>			<b>\$20,101</b>
Source: FDIC.			

**13. Estimate of start-up costs to respondents:**

None.

**14. Estimate of annualized costs to the government:**

None.

15. **Analysis of change in burden:**

There is no change in the substance or methodology of this information collection. The number of respondents and time per response remain the same.

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

The information collected is for internal FDIC use only and is not published.

17. **Display of expiration date:**

This information collection involves recordkeeping requirements only. The expiration date of the information collection is readily available at [www.reginfo.gov](http://www.reginfo.gov)<sup>2</sup>

18. **Exceptions to certification:**

None.

B. **COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS**

Not applicable.

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<sup>2</sup> <https://www.reginfo.gov/public/Forward?SearchTarget=PRA&textfield=3064-0176>