

SUPPORTING STATEMENT
for the Paperwork Reduction Act Information Collection Submission for
Rule 10c-1a Reporting of Securities Loans

OMB Number 3235-0788

A. JUSTIFICATION

1. Information Collection Necessity

Section 984(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”),¹ now Section 10(c)(1) of the Securities Exchange Act of 1934 (“Exchange Act”), provides the statutory authority for the Securities and Exchange Commission (“Commission” or “SEC”) to prescribe rules and regulations regarding transactions involving the loan or borrowing of securities, as necessary and appropriate in the public interest or for the protection of investors. Section 984(b) of the Dodd Frank Act directed the Commission to promulgate rules designed to increase the transparency of information available to brokers, dealers, and investors, with respect to the loan or borrowing of securities.

Currently parties to securities lending transactions are not required to report the material terms of their transactions. The lack of public information regarding securities lending transactions creates inefficiencies in the securities lending market. The gaps in securities lending data render it difficult for borrowers and lenders alike to ascertain market conditions and to know whether the terms that they receive are consistent with market conditions. These gaps also impact the ability of the Commission, other self-regulatory organizations (“SROs”), a registered national securities association (“RNSA”) and other Federal financial regulators (collectively “regulators”) to oversee transactions that are vital to fair, orderly, and efficient markets.

The Commission has adopted Rule 10c-1a² to increase the transparency and efficiency of the securities lending market by requiring covered persons (as defined under final Rule 10c-1a) to report the material terms of their securities lending transactions (“10c-1a information”) to an RNSA.³ Rule 10c-1a provides that the RNSA will make most of the 10c-1a information publicly available.⁴

Certain provisions of Rule 10c-1a impose “collection of information” requirements within the meaning of the Paperwork Reduction of 1995 (“PRA”). The title for the new information collection is “Material Terms of Securities Lending Transactions.”

2. Information Collection Purpose and Use

¹ See Pub. L. 111–203 sec. 984(a), 124 Stat. 1376, 1932-33 (2010).

² See Reporting of Securities Loans, Release No. 34-[ADD CITATION POST-ADOPTION]

³ See final Rule 10c-1a(a).

⁴ See final Rule 10c-1a(g).

As described in the Adopting Release, the securities lending market is opaque and has data gaps that create inefficiencies. The Commission believes that the information collections are necessary to remediate these issues by giving market participants and regulators access to the material terms of securities lending transactions.

3. Consideration Given to Information Technology

Rule 10c-1a permits the use of information technology to lessen the burden of collecting, reporting, disseminating, and storing the 10c-1a information that it requires certain entities to report to RNSAs. The Commission anticipates that many of the entities that are required to report Rule 10c-1a information to an RNSA under the final Rule will already have connectivity to an RNSA. Furthermore, the final rule permits covered persons to contract privately with third-party vendors, including information technology service providers, to assist in fulfilling their reporting obligations. The Commission believes that improvements in data processing technology may also reduce any burdens that result from Rule 10c-1a.

4. Duplication

The Commission has not previously directly addressed the provision of the material terms of securities lending transactions for purposes of the Federal securities laws. In order to limit the potential duplication of transaction reporting, Rule 10c-1a limits the obligation to provide the Rule 10c-1a information to an RNSA to only one participant in each securities lending transaction to avoid the double counting of transactions.⁵

5. Effect on Small Entities

As discussed in the adopting release, the Commission estimates that Rule 10c-1a will impact 106 reporting agents, comprised of 97 brokers or dealers and 9 registered clearing agencies. The Commission estimates that, as required by Rule 10c-1a, all reporting agents will be brokers, dealers, or registered clearing agencies. For purposes of Commission rulemaking in connection with the Regulatory Flexibility Act, a broker or dealer is a “small entity” if it has total capital (net worth plus subordinated liabilities) of less than \$500,000 on the date in the prior fiscal year as of which its audited financial statements were prepared pursuant to 17 CFR 240.17a-5(d), and it is not affiliated with any person (other than a natural person) that is not a small business or small organization.⁶ A clearing agency is a “small entity” if such clearing agency: (i) Compared, cleared, and settled less than \$500 million in securities transactions during the preceding fiscal year, (ii) had less than \$200 million of funds and securities in its custody or control at all times during the preceding fiscal year (or at any time that it has been in business, if shorter), and (iii) is not affiliated with any person (other than a natural person) that is not a small business or small organization.⁷

The Commission estimates that Rule 10c-1a will impact 278 investment companies that do not employ a lending agent (or “intermediary”). For purposes of Commission rulemaking in

⁵ See final Rule 10c-1a(j)(1).

⁶ See 17 CFR 240.0-10(c).

⁷ See 17 CFR 240.0-10(d).

connection with the Regulatory Flexibility Act, an investment company is a small entity if, together with other investment companies in the same group of related investment companies, it has net assets of \$50 million or less as of the end of its most recent fiscal year.⁸

The Commission estimates that Rule 10c-1a will impact 37 lending agents.⁹ For purposes of Commission rulemaking in connection with the Regulatory Flexibility Act, lending agents that are not broker or dealers, such as a bank, would be a “small entity” if on the last day of its most recent fiscal year, such entity or person had total assets of \$5 million or less.¹⁰ Clearing agencies can also be lending agents under Rule 10c-1a, and, as described above, can also be “small entities.”¹¹

Based on a review of data, the Commission does not believe that any of the persons that will be impacted by Rule 10c-1a are small entities under the relevant definitions.¹² Entities including investment companies, brokers, dealers, and banks, which engage in securities lending transactions, typically tend to be larger institutions because of the scale necessary to make the lending of securities cost-effective. To the extent that smaller entities engage in securities lending, they generally employ lending agents, which would relieve these smaller lending entities from having to provide Rule 10c-1a information to an RNSA.¹³ It is possible that in the future a small entity may become impacted by Rule 10c-1a. However, based on experience with persons who participate in this market, the Commission preliminarily believes that this scenario is unlikely since firms that enter the market are unlikely to meet the small entity criteria.

For the foregoing reasons, the Commission certified in the adopting release, pursuant to Section 605(b) of Title 5 of the U.S. Code, that Rule 10c-1a will not have a significant economic impact on a substantial number of small entities.

6. Consequences of Not Conducting Collection

Rule 10c-1a provides market participants with access to pricing and other material information regarding securities lending transactions, which will supplement the publicly available information involving securities lending, close data gaps in the market, and minimize information asymmetries between market participants. The gaps in securities lending data render it difficult for borrowers and lenders alike to ascertain market conditions and to know whether the terms that they receive are consistent with market conditions. These gaps also impact the ability of the Commission and other regulators to oversee transactions that are vital to fair, orderly, and efficient markets. The data collected and made available by Rule 10c-1a will improve price discovery in the securities lending market and lead to a reduction of the information asymmetry in the market. Increasing the accessibility of data could lower barriers to entry for would-be participants in the securities lending market as well as the securities markets more broadly because all market participants, not just counterparties to a trade or those that

⁸ See 17 CFR 270.0-10(a).

⁹ For example, some investment companies report using a bank as a lending agent on Form N-CEN.

¹⁰ See 17 CFR 240.0-10(a).

¹¹ See 17 CFR 240.0-10(d).

¹² See 17 CFR 240.0-10.

¹³ See final Rule 10c-1a(j)(1).

subscribe to certain services, will be able to view and analyze transactions that are taking place in the securities lending market. As a result, the disclosure of the specified material terms of securities lending transactions might improve the efficiency and resiliency of the securities market by reducing frictions in the cost of borrowing securities, which may also have positive effects on the markets for the securities themselves. Additionally, enhancing the transparency of data on securities lending transactions will allow market participants to determine whether the terms that they receive for their loans are consistent with market conditions. Such benefits would not accrue to the securities lending market or the broader securities market if the information collections required by Rule 10c-1a are not implemented.

7. Inconsistencies with Guidelines in 5 CFR 1320.5(d)(2)

Rule 10c-1a(a) requires that certain material terms of securities lending transactions be reported to an RNSA more frequently than quarterly, specifically by the end of the day on which a securities loan is effected or the terms of the securities loan are modified, as applicable. Rule 10c-1a(g) requires an RNSA to subsequently make certain of the reported data elements publicly available as soon as practicable, and not later than the morning of the business day after the covered securities loan is effected. As noted above, the timely availability of the information collected under Rule 10c-1a is a key component to providing additional transparency in the securities lending market for investors, market participants, and regulators.

Additionally, Rule 10c-1a requires RNSAs and reporting agents to retain certain records for more than three years. Rule 10c-1a(h)(1) requires that an RNSA retain, for a period of five years, the information collected pursuant to paragraphs (c) through (e) of the Rule in a convenient and usable standard electronic data format that is machine readable and text searchable without any manual intervention.

Rule 10c-1a(h)(3) requires that an RNSA makes retain the information collected pursuant to paragraphs (c) through (e) of the rule in a convenient and usable standard electronic data format that is machine readable and text searchable without any manual intervention for a period of five years. Rule 10c-1a(h)(3) requires that an RNSA makes the information collected pursuant to paragraphs (c) and (d) of the rule available to the public without use restrictions, for a period of at least five years.

The Commission believes that requiring an RNSA to retain records for five years is consistent with other record retention obligations that Exchange Act rules impose. For example, 17 CFR 240.17a-1, Exchange Act Rule 17a-1, requires RNSAs to keep documents for a period of not less than five years. Similarly, 17 CFR 242.613(e)(8), Rule 613(e)(8) of Regulation NMS requires the central repository to retain information in a convenient and usable standard electronic data format that is directly available and searchable electronically without any manual intervention for a period of not less than five years. Rule 10c-1a(h)(1) uses a five year standard for storage that is similar to Rule 613(e)(8). The standard sets forth the criteria for how information must be stored but does not specify any particular technological means of storing such information, which should provide flexibility to the RNSA to adapt to technological changes that develop in the future. As with Exchange Act Rule 17a-1, the retention period is intended to facilitate implementation of the Commission's broad inspection authority in Section 17(a) of the Exchange Act.

The Commission believes that five years is the appropriate length of time for the RNSA to make information available to the public, because such a time period will provide market participants with an opportunity to identify trends occurring in the market and in individual securities based on changes to the material terms of securities lending transactions.

There are no other special circumstances, and this collection is otherwise consistent with the guidelines in 5 CFR 1320.5(d)(2).

8. Consultations Outside the Agency

The proposing release for Rule 10c-1 (prior to its redesignation as Rule 10c-1a) solicited comment on the new “collection of information” requirements and associated paperwork burdens.¹⁴ Comments on Commission releases were received from industry groups, investors, securities exchanges, SROs, and other market participants. The Commission and staff participated in direct dialogue with various market participants through telephonic meetings. The comments received addressing proposed Rule 10c-1 and the memorandums from meetings with market participants regarding the proposed rule are available on the Commission’s website at <https://www.sec.gov/comments/s7-18-21/s71821.htm>. The Commission considered all comments received prior to publishing final Rule 10c-1a, and explained in the adopting release how the final rule responds to such comments, in accordance with 5 C.F.R. 1320.11(f).

Concerning the PRA, one commenter stated that the Proposing Release underestimated the number of respondents by only accounting for lenders that are registered with the Commission.¹⁵ The Commission agreed with the commenter and increased its estimate to account for unregistered entities. This resulted in an increase in the estimated number of respondents (referred to as “Lenders” in the Proposing Release and “Covered Persons” in the Adopting Release) that would not employ a lending agent, from 278 to 434.¹⁶ The 434 estimated covered persons that would not employ a lending agent account for 217 of the 255 estimated providing Covered Persons, and 217 of the 248 estimated non-providing Covered Persons in the Adopting Release PRA.¹⁷

Additionally, many commenters opposed the Proposed Rule’s 15 minute reporting requirement,¹⁸ with one commenter stating concerns that most lenders would not be able to meet the proposed 15 minute reporting requirement without substantial technology development and cost.¹⁹ As discussed in Part VII.G.1. of the Adopting Release, the Final Rule imposes an end-of-day reporting requirement, instead of the proposed 15 minute reporting requirement, which should lower the initial burden associated with system design and configuration. Therefore, in the Adopting Release the Commission estimates that providing covered persons each will

¹⁴ See *Reporting of Securities Loans*, Release No. 34-93613 (Nov. 18, 2021), 86 FR 69802 (Dec. 8, 2021) (“Proposing Release”), at 69829.

¹⁵ See Letter from Edmon Blount, Founder and Director Emeritus, Center for the Study of Financial Market Evolution (Dec. 15, 2021), at 3.

¹⁶ See Adopting Release, at Part X.A.1.

¹⁷ See *infra* notes 25 and 26.

¹⁸ See Adopting Release, at Part VII.G.1.

¹⁹ See Letter from Edward M. Marhefka, Managing Director, Global Head of Equities Data and Analytics, IHS Markit (Jan. 4, 2022), at 13.

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assume 3,000 PRA burden hours to develop and reconfigure their current systems to capture the required data elements, instead of the estimated 3,600 burden hours that was included in the Proposing Release PRA. Similarly, for the same reasons in the Adopting Release the Commission estimates that non-providing covered persons each will assume 1,500 PRA burden hours in to develop and reconfigure their current systems to capture the required data elements, instead of the estimated 1,800 burden hours that was included in the Proposing Release PRA.

9. Payment or Gift

No payment or gift is provided to respondents.

10. Confidentiality

Rule 10c-1a(e)(1) through (e)(3) provides that certain material terms that are required to be reported to an RNSA, such as the legal names of the parties to a securities lending transaction, will not be made public and will be kept confidential.²⁰ Rule 10c-1a(e) does not permit the RNSA to make the listed data elements public. Additionally, Rule 10c-1(h)(4), requires that an RNSA establish, maintain, and enforce reasonably designed written policies and procedures to maintain the security and confidentiality of the confidential information required by Rule 10c-1a(e).²¹ To the extent that the Commission does receive confidential information pursuant to this collection of information, such information will be kept confidential, subject to the provisions of applicable law.

11. Sensitive Questions

No information of a sensitive nature would be required under the Rule 10c-1a collections of information. The information collections do not expressly include personally identifiable information (“PII”) as part of the data to be collected. Rule 10c-1a requires that the legal name of each party to a securities lending transaction be confidentially reported as a material term to the loan. If an individual is a party to a securities lending transaction their legal name would be reported to an RNSA, but would not be made public. No Social Security numbers would be collected. The agency has determined that a system of records notice (“SORN”) and privacy impact assessment (“PIA”) are not required in connection with the Rule 10c-1a collections of information. (See attached agency Privacy Analysis.)

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²⁰ Proposing Release, at 69852.

²¹ Proposing Release, at 69853.

12. Information Collection Burden

The Commission estimated the hourly burden of the information collection as summarized in the chart below.

Summary of Hourly Burdens									
Proposed Rule 10c-1 Information Collections	Type of Burden	A.	B.	C.	D.	E.	F.	G.	Total Industry Burden
		Number of Entities Impacted	Annual Responses per Entity	Initial Burden per Entity per Response	Initial Burden Annualized per Entity per Response	Ongoing Burden per Entity per Response	Annual Burden Per Entity per Response	Total Annual Burden Per Entity	
					[C ÷ 3 years]		[D + E]	[F * B]	[G * A]
Providing Covered Person: Systems Development and Monitoring—Initial Burden	Third Party Disclosure	255	1	3,000	1,000	--	1,000	1,000	255,000
Providing Covered Person: Systems Development and Monitoring—Ongoing Burden	Third Party Disclosure	255	1	-	-	1,350	1,350	1,350	344,250
Non-providing Covered Person: Systems Development and Monitoring—Initial Burden	Third Party Disclosure	248	1	1,500	500	--	500	500	124,000
Non-providing Covered Person: Systems Development and Monitoring—Ongoing Burden	Third Party Disclosure	248	1	-	-	675	675	675	167,400
Non-providing Covered Person: Entering into Written Agreement with Reporting Agent (No Ongoing Burden)	Third Party Disclosure	248	1	30	10	-	10	10	2,480
Reporting Agents: Systems Development and Monitoring—Initial Burden	Third Party Disclosure	106	1	3,000	1,000	-	1,000	1,000	106,000
Reporting Agents: Systems Development and Monitoring—Ongoing Burden	Third Party Disclosure	106	1	-	-	1,350	1,350	1,350	143,100
Reporting Agents: Entering into Agreements with Non-Providing Covered Persons (No Ongoing Burden)	Third Party Disclosure	106	1	30	10	-	10	10	1,060
Reporting Agents: Entering into Agreement with RNSA (No Ongoing Burden)	Third Party Disclosure	106	1	1	0.33	-	0.33	0.33	35
Reporting Agents: Record Preservation Requirement (No Initial Burden)	Record-keeping	106	52	-	-	1	1	52	5,512
RNSA: Implement and maintain infrastructure for information collection and reporting—Initial Burden	Reporting and Third Party Disclosure	1	1	10,924	3,641	-	3,641	3,641	3,641
RNSA: Implement and maintain infrastructure	Reporting and Third	1	1	-	-	7,739.50	7,739.50	7,739.50	7,739.50

for information collection and reporting—Ongoing Burden	Party Disclosure								
RNSA: Retention of Collected Information (No Initial Burden)	Record-keeping	1	52	-	-	1	1	52	52
TOTAL HOURLY BURDEN FOR ALL RESPONDENTS									1,160,269.5

As described in detail below, the information collection burdens in Rule 10c-1a are directly related to either: (1) covered persons capturing certain securities lending transaction information and reporting it to an RNSA (either directly or by using a reporting agent); or (2) an RNSA collecting the information reported to it and subsequently making certain elements of it publicly available. Given the differences in the information collections applicable to these parties, the burdens applicable to covered persons, reporting agents, and RNSAs are separated in the analysis below.

For purposes of PRA calculations, the initial hourly burden per entity per response is “annualized,” *i.e.* spread over 3 years. In contrast, the ongoing hourly burden per entity per response is calculated as an annual amount. The figures are summarized in the chart of hourly burdens.

Information Collections Applicable to Entities Reporting Information to an RNSA

The Rule 10c-1a information collections apply to covered persons, which includes: (i) any person that agrees to a covered securities loan on behalf of a lender (“intermediary” or “lending agent”) other than a clearing agency when providing only the functions of a central counterparty or a central securities depository; (ii) any person that agrees to a covered securities loan as a lender when an intermediary is not used, unless the borrower is a broker or dealer borrowing fully paid or excess margin securities; or (iii) a broker or dealer when borrowing fully paid or excess margin securities.²²

Rule 10c-1a(a)(2) permits covered persons to rely on a reporting agent²³ to fulfill its reporting obligations, if such covered person: (i) enters into a written agreement with a reporting agent that agrees to provide the Rule 10c-1a information to an RNSA on behalf of such covered person; and, (ii) provides such reporting agent with timely access to the Rule 10c-1a information.

Rule 10c-1a(b) enumerates the requirements for brokers, dealers, or registered clearing agencies to act as reporting agents, including requiring that they: (1) provide Rule 10c-1a information to an RNSA, in the format and manner required by the applicable rule(s) of such RNSA; (2) establish, maintain, and enforce written policies and procedures that are reasonably designed to provide Rule 10c-1a information to an RNSA on behalf of a covered person; (3) enter into a written agreement with an RNSA that permits the reporting agent to provide Rule 10c-1a information to an RNSA on behalf of a covered person; (4) provide an RNSA with a list naming each covered person on whose behalf the reporting agent is providing Rule 10c-1a information to an RNSA; and (5) Preserve certain records, including the Rule 10c-1a information

²² See final Rule 10c-1a(j)(1) (defining the term “covered person”).

²³ See final Rule 10c-1a(j)(4) (defining the term “reporting agent”).

obtained by the reporting agent, for a period of not less than three years, the first two years in an easily accessible place.

This analysis is separated into three categories aligned with the different entities that will assume PRA burdens under Rule 10c-1a: (1) covered persons; (2) reporting agents; and (3) RNSAs.

I. Covered Persons

Under final Rule 10c-1a(j)(1), a covered person is any intermediary other than a clearing agency when providing only the functions of a central counterparty pursuant to Rule 17Ad-22(a)(2) of the Exchange Act or a central securities depository pursuant to Rule 17Ad-22(a)(3) of the Exchange Act; any person that agrees to a covered securities loan as the lender when an intermediary is not used unless paragraph (j)(1)(iii) of the final rule applies to a broker or dealer borrowing fully paid or excess margin securities pursuant to Rule 15c3-3(b)(3) of the Exchange Act; or the broker or dealer when borrowing fully paid or excess margin securities pursuant to Rule 15c3-3(b)(3) of the Exchange Act.

The Commission estimates that 503 covered persons will be subject to PRA burdens under final Rule 10c-1a(a). As set forth in paragraph (a)(1) of the final rule, any covered person who agrees to a covered securities loan on behalf of itself or another person is required to provide Rule 10c-1a information directly to an RNSA; however, a covered person may enter into a written agreement with a reporting agent for the reporting agent to provide information to an RNSA.²⁴ Of the 503 covered persons, the Commission estimates that 255 are providing covered persons²⁵ and that 248 are non-providing covered persons.²⁶

The below analysis is separated into two categories: providing covered persons and non-providing covered persons. Both providing covered persons and non-providing covered persons assume PRA burdens in complying with final Rule 10c-1a(a)(1).

1. Providing Covered Persons: Systems Development and Monitoring Initial Burden

i. Initial Burden

Providing covered persons assume PRA burdens related to developing and reconfiguring their current systems to capture the required Rule 10c-1a information. Providing covered persons, in complying with the final rule, will also be required to establish connections that will

²⁴ For the purposes of the PRA estimates included in this release, such covered person is referred to as a “non-providing covered person.”

²⁵ 4 broker-dealer intermediaries + 217 persons that agree to a covered securities loan as the lender when an intermediary is not used and will provide information to an RNSA + 34 brokers or dealers borrowing fully paid or excess margin securities = 255 providing covered persons.

²⁶ 31 non-broker-dealer intermediaries + 217 persons that agree to a covered securities loan as the lender when an intermediary is not used and will provide information to a reporting agent = 248 non-providing covered persons.

allow them to provide the information to an RNSA, which involves establishing connections with an RNSA and the persons on whose behalf they are lending securities.

The PRA burden for this requirement is similar to that of establishing the appropriate systems and processes required for collection and transmission of the required information in complying with the CAT because of the general similarity between the systems established under that rule and the systems that would be required to be established under final Rule 10c-1a. However, the systems complying with final Rule 10c-1a will be significantly less complex than those required by the CAT because the systems required for compliance with final Rule 10c-1a will need to capture less information overall.

The PRA burden estimates for systems development and monitoring are based on the burdens applicable to non-Order Audit Trail System (“OATS”) reporters under the CAT. The Commission determined to use this estimate due to the factors it considered, as part of the CAT Approval Order, in categorizing firms and estimating burdens. Non-OATS reporters were estimated to assume the least amount of burdens under the CAT NMS Plan due to the limited scope of their reportable activity. In addition, non-OATS reporters assumed new reporting burdens in complying with the CAT, similar to how providing covered persons will assume new PRA burdens in complying with the final rule’s reporting requirements. Based on the overall size of the securities lending market and the number of providing covered persons that may provide information directly to an RNSA, the Commission believes that the volume of securities lending transactions for providing covered persons will be, on average, of a similar scope to the volume of reports estimated by non-OATS reporters under the CAT Approval Order.

In the Proposing Release, the Commission, estimated that each providing lending agent and self-providing lender would assume 3,600 PRA burden hours in developing and reconfiguring their current systems to capture the required data elements. However, implementing an end-of-day reporting requirement in place of the intraday reporting requirement removes the need for those providing covered persons to acquire this level of automation and processing capacity, thus lowering at least their initial burden associated with system design and configuration. Therefore, the Commission estimates that providing covered persons each will assume 3,000 PRA burden hours in developing and reconfiguring their current systems to capture the required data elements, which is annualized to 1,000 PRA burden hours per entity, **for a total estimated initial annual industry burden of 255,000 hours.**²⁷

ii. Ongoing Annual Burden

Once a providing covered person has established the appropriate systems and processes required for the collection and provision of the Rule 10c-1a information to an RNSA, it is estimated that providing covered persons will assume ongoing annual PRA burdens associated with, among other things, providing the Rule 10c-1a information to an RNSA, monitoring systems, implementing systems changes, and troubleshooting errors. The Commission estimates that the ongoing annual PRA burden will be equivalent to the ongoing burden estimated for non-OATS reporters in the CAT Approval Order, as adjusted for the change from the proposed intraday reporting requirement to the end-of-day reporting requirement. Therefore, the

²⁷ 1,000 initial burden hours (annualized) x 255 providing Covered Persons = 255,000 total hours.

Commission estimates that each providing covered person will assume 1,350 PRA burden hours per year, **for a total estimated ongoing annual industry burden of 344,250 hours.**²⁸

2. Non-Providing Covered Persons: Systems Development and Monitoring

Non-providing covered persons will assume distinct PRA burdens from those applicable to providing covered persons. First, non-providing covered persons will assume fewer initial and ongoing PRA burdens related to systems development and monitoring because non-providing covered persons will not, for purposes of compliance with final Rule 10c-1a(a), need to establish connectivity to an RNSA and may have flexibility with regard to the format in which it provides the Rule 10c-1a information to the reporting agent. Second, non-providing covered persons will assume the initial burden of negotiating and executing a written agreement with the reporting agent, as required by final Rule 10c-1a(a)(2) but are not estimated to assume an ongoing annual PRA burden associated with such written agreement.

i. Initial Burden

Non-providing covered persons will assume the initial burden of developing and reconfiguring their current systems to capture Rule 10c-1a information. Non-providing covered persons will assume fewer PRA burdens than providing covered persons will because non-providing covered persons may have the flexibility to collaborate with a reporting agent to determine the most efficient means of establishing systems that comply with the final rule's reporting requirements. For example, if agreed to by both the non-providing covered person and the reporting agent, the non-providing covered person could have the flexibility to provide to the reporting agent the applicable Rule 10c-1a information that does not meet the specific format requirements of an RNSA if the reporting agent is able to reformat the information once received. Given these and other potential efficiencies, the Commission estimates that a non-providing covered person will assume half of the initial burden hours that a providing covered person will assume to develop and reconfigure their current systems to capture the Rule 10c-1a information. Therefore, the Commission estimates that each non-providing covered person will assume an initial PRA burden of 1,500 hours, which is annualized to 500 PRA burden hours per entity, **for a total estimated initial annual industry burden of 124,000 hours.**²⁹

ii. Ongoing Annual Burden

Once a non-providing covered person has established the necessary systems and processes for the collection and provision of the Rule 10c-1a information to the reporting agent, such person will assume ongoing annual PRA burdens associated with, among other things, providing the data to the reporting agent, monitoring systems, implementing systems changes, and troubleshooting errors. As with the initial PRA burden estimate for the systems development and monitoring requirement, the ongoing annual PRA burden estimate for non-providing covered persons is estimated to be less than that for providing covered persons because non-providing covered persons may have the flexibility to collaborate with a reporting agent to determine the most efficient means of establishing systems for purposes of compliance with the final rule.

²⁸ 1,350 ongoing burden hours x 255 providing Covered Persons = 344,250 total hours.

²⁹ 500 initial burden hours (annualized) x 248 non-providing Covered Persons = 124,000 total hours.

Given the potential efficiencies, the Commission estimates that a non-providing covered person will assume half of the ongoing annual PRA burden that a providing covered person will assume with regard to the development and reconfiguration of current systems to capture the Rule 10c-1a information. Therefore, the Commission estimates that each non-providing covered person will assume an ongoing annual PRA burden of 675 hours, **for a total estimated ongoing annual industry burden of 167,400 hours.**³⁰

3. Non-Providing Covered Person: Entering into Written Agreement with Reporting Agent

Final Rule 10c-1a(a)(2)(i) requires a covered person to enter into a written agreement with a reporting agent in order to rely on the reporting agent to fulfill the covered person's reporting obligations under paragraph (a)(1) of the final rule. In meeting this requirement, non-providing covered persons may assume initial PRA burdens associated with drafting, negotiating, and executing the agreements. There should be no associated ongoing annual PRA burden once the agreement is signed, as the final rule does not separately impose a requirement to modify the written agreement or take additional action after the agreement is executed.

These agreements are estimated to be standardized across the industry because the data elements are consistent for all persons. The Commission estimates that the only terms that may require negotiation are price and the format in which the information will be provided. Therefore, to account for negotiation and any administrative tasks related to processing and executing agreements, the Commission estimates that non-providing covered persons will spend 30 hours on this task, which is annualized to 10 PRA burden hours per entity, **for a total estimated initial annual industry burden of 2,480 hours.**³¹

II. Reporting Agents

The Commission estimates that there will be 106 reporting agents. This estimate is based on the number of broker-dealers that lent securities as of December 2022 (97),³² as well as the number of registered clearing agencies in 2023 (9).³³ Three requirements of proposed Rule 10c-

³⁰ 675 ongoing burden hours x 248 non-providing covered persons = 167,400 total hours.

³¹ 10 initial burden hours (annualized) x 248 non-providing covered persons = 2,480 total hours.

³² These persons likely have experience providing RNSAs with information through other trade-reporting requirements and have experience with securities lending. It is possible that some of these broker-dealers may choose not to be a reporting agent and that other persons may choose to be a reporting agent. Given uncertainty and a lack of granular data about the current market, however, the Commission continues to believe that an estimate based on the number of broker-dealers that lent securities in is reasonable with regard to the estimate of the number of reporting agents.

³³ See *Cybersecurity Risk Management Rule for Broker-Dealers, Clearing Agencies, Major Security-Based Swap Participants, the Municipal Securities Rulemaking Board, National Securities Associations, National Securities Exchanges, Security-Based Swap Data Repositories, Security-Based Swap Dealers, and Transfer Agents*, Release No. 34-97142 (Mar. 15, 2023), 88 FR 20212 (Apr. 5, 2023), 88 FR 20294. For purposes of this PRA burden estimate, all registered clearing agencies are included as respondents who are reporting agents. A registered clearing agency may elect not to be a reporting agent, in which case the PRA burden estimate may decrease due to the decrease in number of respondents.

1a would subject reporting agents to initial and ongoing annual PRA burdens. The first requirement relates to the development and monitoring of systems that would facilitate the provision of information to an RNSA. Because reporting agents would provide the same information as a self-providing lending agent, the Commission preliminarily estimates that the initial and ongoing annual burden for this task would be equivalent to the initial burden attributable to the same task for self-providing lending agents, as described above. The second requirement relates to the written agreements with the persons who would be providing the reporting agent information. Finally, the third requirement relates to entering into an agreement with a RNSA to provide 10c-1a information. These burdens are third party disclosure burdens.

1. Reporting Agents: Systems Development and Monitoring

Initial Burden

Rule 10c-1a(b) permits a reporting agents to provide 10c-1a information to an RNSA on behalf of another person if certain conditions are met. The Commission anticipates that a reporting agent will be subject to initial burden to develop and reconfigure their current systems to capture the required data elements. Additionally, the reporting agent would need to establish, maintain, and enforce reasonably designed written policies and procedures to provide 10c-1a information to an RNSA on behalf of another.³⁴ Reporting agents would provide the same information to an RNSA as a self-providing lending agent,³⁵ so the Commission preliminarily believes that the burden estimates should be consistent. Therefore, the Commission estimates that each reporting agent would incur 3,000 hours of initial burden to develop and reconfigure their current systems to capture the required data elements, which is annualized to 1,000 PRA burden hours per entity, **for a total estimated initial annual industry burden of 106,000 hours.**³⁶

Ongoing Annual Burden

Once a reporting agent has established the appropriate systems and processes required for collection and provision of the required information to the RNSA, proposed Rule 10c-1 would impose ongoing annual burdens associated with providing the data to the RNSA (including an updated list of persons on whose behalf they are providing information, as needed), monitoring systems, implementing changes, and troubleshooting errors. As with the initial burden for this

³⁴ Rule 10c-1(b)(2).

³⁵ While the information provided to the RNSA will be the same, certain aspects of the requirements applicable to reporting agents would be slightly different than those applicable to self-providing lending agents. For example, unlike self-providing lending agents, reporting agents will need to design systems to establish connectivity with the persons on whose behalf they are providing information to an RNSA. In addition, unlike self-providing lending agents, reporting agents will be required to provide to the RNSA the identity of the person on whose behalf it is providing the information. Further, unlike any type of lending agent, reporting agents will be required to establish, maintain, and enforce reasonably designed written policies and procedures to provide information to an RNSA. Despite these differences, the Commission preliminarily believes that the estimates used in the CAT Approval Order are an appropriate basis from which to estimate the burdens for reporting agents in addition to self-providing lending agents because both provide the same information to the RNSA. Accordingly, this burden estimate for reporting agents is not being adjusted incrementally from the estimate for self-providing lending agents.

³⁶ 1,000 initial burden hours (annualized) x 106 reporting agents = 106,000 total hours.

requirement, reporting agents would provide the same information to the RNSA as a self-providing lending agent, so the Commission preliminarily believes that the burden estimates should be consistent. Therefore, the Commission estimates that each reporting agent would incur 1,350 hours of ongoing annual burden on this requirement, **for a total estimated ongoing annual industry burden of 143,100 hours.**³⁷

2. Reporting Agents: Entering into Written Agreements with Non-providing Covered Persons

Rule 10c-1(a)(2)(i) requires reporting agents to enter into a written agreement with the person on whose behalf they are providing information to an RNSA. This requirement subjects reporting agents to initial burden to draft, negotiate, and execute the agreements. The Commission anticipates that this requirement will not subject reporting agents to ongoing annual burden once the agreement is signed because there will be no need to modify the written agreement or take additional action after it is executed. As discussed above, the Commission anticipates that these agreements will likely be standardized across the industry since the data elements will be consistent for all persons. The Commission estimates that the only terms that may require negotiation are price and the format of the information that will be required to be provided. As discussed above, however, the Commission preliminarily believes that this process will be highly automated. The Commission estimates that it will take reporting agents the same amount of time to comply with this requirement of time as non-providing lending agents. Therefore, the Commission estimates that each reporting agent would spend 30 hours on this task, which is annualized to 10 hours per entity, **for a total estimated initial annual industry burden of 1,060 hours.**³⁸

3. Reporting Agents: Entering into Written Agreement with an RNSA

Rule 10c-1(b)(3) requires that reporting agents enter into a written agreement with an RNSA. Since all reporting agents will be providing the same information to the RNSA, the Commission anticipates that the terms of these agreements will be negotiated and that ultimately the RNSA will create a form agreement that will be consistent for all reporting agents. While it is possible that the burden may be very small since these agreements will likely be standardized, the Commission is conservatively estimating one hour of initial burden for each reporting agent to account for any administrative tasks that will go into processing and executing agreements.³⁹ The Commission anticipates that reporting agents that enter into written agreements with RNSAs will not incur any ongoing annual burden to comply with this requirement once the agreement is signed because there will be no need to modify the written agreement or take additional action because the information will not vary.⁴⁰ Therefore, **the Commission estimates an initial annual industry burden for this requirement of 35 hours.**⁴¹

³⁷ 1,350 ongoing burden hours x 106 reporting agents = 143,100 total hours.

³⁸ 10 initial burden hours (annualized) x 106 reporting agents = 1,060 total hours.

³⁹ For example, a reporting agent may need to enter the written agreement into a contract management system or scan an executed paper agreement into an electronic format.

⁴⁰ The data elements that will need to be reported will not change and will be consistent across the industry. Therefore, there will be no need to modify or update agreements in any way.

⁴¹ .33 initial burden hours (annualized) x 106 reporting agents = 35 total hours.

4. Reporting Agents: Record Preservation Requirement

Rule 10c-1a(b)(5) requires that reporting agents preserve for a period of not less than three years, the first two years in an easily accessible place, the Rule 10c-1a information that it obtained from any person pursuant to paragraph (a)(2), including the time of receipt, and the corresponding Rule 10c-1a information provided by the reporting agent to an RNSA, including the time of transmission to an RNSA, and the written agreement that the reporting agent entered into with the person on whose behalf it is providing information and the RNSA. This is a recordkeeping burden. The initial burden associated with retaining the collected information is associated with reporting agents' burden to develop and reconfigure their current systems to capture the required data elements. Accordingly, the Commission is not assessing an initial burden associated with the recordkeeping of information required by proposed Rule 10c-1(a)(5). The Commission anticipates that this recordkeeping requirement will be highly automated. Accordingly, the Commission estimates that reporting agents will spend one hour per week on upkeep and testing of records to ensure accuracy to comply with this requirement, resulting in a total of 52 hours per year of annual burden per reporting agent, **for a total estimated ongoing annual industry burden of 5,512 hours.**⁴²

III. RNSAs

Under final Rule 10c-1a(j)(5), an RNSA is an association of brokers and dealers that is registered as a national securities association pursuant to section 15A of the Exchange Act. The Commission estimates that there is one RNSA that will assume new PRA burdens under paragraphs (f), (g), and (h) of the final rule. Rule 10c-1a(f) requires an RNSA to implement rules regarding the format and manner of its collection of Rule 10c-1a information.⁴³ Rule 10c-1a(g) requires RNSAs to make elements of the information it collects publicly available. Rule 10c-1a(h) requires RNSAs to implement certain record retention and data availability practices for the information it receives.

Burden Estimates Related to RNSA Rule Implementation

Under final Rule 10c-1a(f), an RNSA is required to implement rules regarding the format and manner of its collection of Rule 10c-1a information and make publicly available such information in accordance with rules promulgated pursuant to section 19(b) and Rule 19b-4 of the Exchange Act. The PRA burden associated with filing any proposed rule changes by an RNSA is already included under the collection of information requirements contained in Rule 19b-4 under the Exchange Act. Therefore, a separate PRA burden estimate is not included for the purposes of the PRA included for this rulemaking.

1. RNSA: Implement and Maintain Information Collection and Reporting Infrastructure

⁴² 1 ongoing burden hour x 52 annual responses per entity x 106 reporting agents = 5,512 total hours.

⁴³ The burden of filing any proposed rule changes by the RNSA is already included under the collection of information requirements contained in Rule 19b-4 under the Exchange Act. *See* Securities Exchange Act Release No. 50486 (Oct. 5, 2004), 69 FR 60287, 60293 (Oct. 8, 2004) (File No. S7-18-04)(describing the collection of information requirements contained in Rule 19b-4 under the Exchange Act).

Initial Burden

The initial burden assumed by an RNSA in creating and implementing the infrastructure for providing covered persons and reporting agents to provide the applicable Rule 10c-1a information to an RNSA, and for an RNSA to make such information publicly available, is similar to the initial burden assumed by national securities exchanges and RNSAs in complying with the requirement to establish the appropriate systems and processes for the collection and transmission of the required information under the CAT. However, the systems that are implemented to comply with Rule 10c-1a should be significantly less complex than those that are implemented to comply with the CAT. This is because the Rule 10c-1a systems will need to capture less information overall than what the CAT requires. Further, there is only one RNSA that will need to create and implement the infrastructure for providing covered persons and reporting agents to provide Rule 10c-1a information, in contrast to the multiple national securities exchanges that create systems to comply with the CAT. In addition, an RNSA will have internal staff that can create and implement the infrastructure for providing covered persons and reporting agents to provide Rule 10c-1a information, unlike certain tasks required under the CAT that may require outsourcing. Accordingly, the PRA burden estimates for this collection of information are substantially reduced as compared to those for the CATs.

The Commission estimates that it would take an RNSA approximately 10,924 hours of internal legal, compliance, information technology, and business operations time to develop the infrastructure to enable providing covered persons and reporting agents to provide the Rule 10c-1a information to an RNSA, and for an RNSA to assign a unique identifier to the covered securities loan and make the specified information publicly available. The RNSA is not estimated to assume external costs for the implementation of the infrastructure to enable providing covered persons and reporting agents to provide the Rule 10c-1a information, assign a unique identifier to the covered securities loan, and make the final rule's specified information publicly available. This is because the sole RNSA currently existing, FINRA, has experience in implementing systems to collect information from its member broker-dealers. Therefore, the Commission estimates that the average one-time initial PRA burden related to developing the infrastructure to enable self-providing covered persons and reporting agents to provide the Rule 10c-1a information, assign a unique identifier to the covered securities loan, and make the final rule's specified information publicly available is 10,924 hours, **for a total initial annualized industry burden of 3,641 hours.**⁴⁴

Ongoing Annual Burden

Once an RNSA has developed the infrastructure to enable self-providing covered persons and reporting agents to provide the Rule 10c-1a information, assigned a unique identifier to the covered securities loan, made the final rule's specified information publicly available, the Commission estimates that an RNSA will assume ongoing annual PRA burdens of 7,739.5 hours related to ensuring that the infrastructure is up-to-date and remains in compliance with the final rule, **for a total estimated ongoing annual industry burden of 7,739.5 hours.**⁴⁵

⁴⁴ 3,641 initial burden hours (annualized) x 1 RNSA = 3,641 total hours.

⁴⁵ 7,739.5 ongoing burden hours x 1 RNSA = 7,739.5 total hours.

2. RNSA Retention of Collected Information

Under final Rule 10c-1a(h)(1), an RNSA must retain the collected Rule 10c-1a information in a convenient and usable standard electronic data format that is machine readable and text searchable without any manual intervention for a period of five years. The initial burden associated with retaining the collected Rule 10c-1a information is assumed in an RNSA's burdens related to implementing and maintaining the infrastructure for providing covered persons and reporting agents to provide Rule 10c-1a information to an RNSA. Therefore, the Commission is not separately assessing an initial burden associated with the retention of collected Rule 10c-1a information. The Commission, however, estimates that an RNSA will assume an ongoing annual PRA burden of 52 hours to retain the collected information, **for a total estimated ongoing annual industry burden of 52 hours.**

13. Costs to Respondents

The Commission does not believe that respondents will incur any external costs to comply with the proposed Rule.

14. Costs to Federal Government

The Federal government would not incur a cost in connection with the collection of this information.

15. Changes in Burden

The changes in burden from the Proposed Rule are summarized in the chart below. Please note the following:

- The estimated burdens for the final rule submission have been separated into Initial and Ongoing estimates (with the ongoing estimates being added as new entries in OMB's ROCIS system) in order to simplify future revisions.
- The terms "Lending Agents" and "Lender" in the Proposed Rule have been replaced by the single term "Covered Person" in the Final Rule to align with the defined terms included in Final Rule 10c-1a(j), and therefore the calculations for the application burdens have been combined. Specifically, the terms "Providing Lending Agents" and "Lenders not Employing a Lending Agent" have been combined under new term "Providing Covered Person" and the terms "Non-providing Lending Agents" and "Lenders Directly Employing a Reporting Agent" have been combined under "Non-providing Covered Person".

Summary of Change in Estimated Burdens (Annual)				
Name of Information Collection	Previously Reviewed Burden	New Estimated Burden	Change in Burden	Reason for the Change
Providing Covered Person: Systems Development and Monitoring—Initial burden ⁴⁶	362,100	255,000	(107,100)	This IC has been renamed and the burdens separated out into this “initial” IC and a new “ongoing” IC (below). The burden number for this IC has decreased because of the breakout of the previous total into the new “ongoing” IC. The estimated burden has also changed because the number of respondents has increased from 142 to 255 and the estimated initial burden amount decreased from 3,600 (annualized to 1,200) to 3,000 (annualized to 1,000).
Non-providing Covered Person: Systems Development and Monitoring ⁴⁷	220,575	124,000	(96,575)	This IC has been renamed and the burdens separated out into this “initial” IC and a new “ongoing” IC (below). The burden number for this IC has decreased because of the breakout of the previous total into the new “ongoing” IC. The estimated burden has also changed because the number of respondents has increased from 173 to 248 and the estimated initial burden per non-providing Covered Persons has decreased from 1,800 (annualized to 600) to 1,500 (annualized to 500).
Non-providing Covered Person: Entering into Written Agreement with Reporting Agent ⁴⁸	1,730	2,480	750	This IC has been renamed. In addition, the estimated burden has increased because the estimated number of respondents has increased from 173 to 248.
Reporting Agents: Systems Development and Monitoring—Initial Burden	112,800	106,000	(6,800)	The burdens in this IC have been separated out into this “initial” IC and a new “ongoing” IC (below). The estimated burden for this IC has decreased because of the breakout of the previous total into the new “ongoing” IC. The estimated burden has also changed because the number of respondents has increased from 94 to 106 and the estimated initial burden per Reporting Agent

⁴⁶ This information collection covers both the “Providing Lending Agents: Systems Development and Monitoring” and “Lenders not Employing a Lending Agent – Self-Providing Lenders: Systems Development and Monitoring” information collections that were included in the Proposing Release Supporting Statement.

⁴⁷ This information collection covers both the “Non-providing Lending Agents: Systems Development and Monitoring” and “Lenders Directly Employing a Reporting Agent: Systems Development and Monitoring” information collections that were included in the Proposing Release Supporting Statement.

⁴⁸ This information collection covers both the “Non-providing Lending Agents: Entering into Written Agreement with Reporting Agent” and “Lenders Directly Employing a Reporting Agent: Entering into a Written Agreement with a Reporting Agent” information collections that were included in the Proposing Release Supporting Statement.

				decreased from 3,600 (annualized to 1,200) to 3,000 (annualized to 1,000).
Reporting Agents: Entering into Agreements with Non-Providing Covered Persons	940	1,060	120	This IC has been renamed. The estimated burden has increased because the number of respondents increased from 94 to 106.
Reporting Agents: Entering into Agreement with RNSA	31	35	4	The estimated number of respondents increased from 94 to 106.
Reporting Agents: Record Preservation Requirement	4,888	5,512	624	This IC has been renamed. The estimated burden has increased because the number of respondents has increased from 94 to 106.
Lenders not Employing a Lending Agent—Self-Providing Lenders: Systems Development and Monitoring	354,450	0	(354,450)	This collection has been combined with the initial and ongoing ones for “Providing Covered Person: Systems Development and Monitoring.” Accordingly, this is being removed as a separate IC.
Lenders Directly Employing a Reporting Agent: Systems Development and Monitoring	177,225	0	(177,225)	This collection has been combined with the initial and ongoing ones for “Providing Covered Person: Systems Development and Monitoring.” Accordingly, this is being removed as a separate IC.
RNSA: Implement and maintain infrastructure for information collection and reporting	3,641 (Initial) 7,739.5 (Ongoing) 11,380.5 (Total)	3,641 (Initial) 7,739.5 (Ongoing) 11,380.5 (Total)	-	No change.
RNSA: Retention of Collected Information	52	52	-	No change to the total annual burden. A correction was made to the number of responses per year and the burden per response.
Providing Covered Person: Systems Development and Monitoring—Ongoing Burden	0	344,250	344,250	This is an “ongoing” burden broken out into a new IC (described above).
Non-Providing Covered Person: Systems Development and Monitoring—Ongoing Burden	0	167,400	167,400	This is an “ongoing” burden broken out into a new IC (described above).
Reporting Agents: Systems Development and Monitoring—Ongoing Burden	0	143,100	143,100	This is an “ongoing” burden broken out into a new IC (described above).

RNSA: Implement and maintain infrastructure for information collection and reporting—Ongoing Burden	0	7,740	7,740	This is an “ongoing” burden broken out into a new IC (described above).
Summary of Change in Estimated Burdens (Annual)				
Name of Information Collection	Previously Reviewed Burden	New Estimated Burden	Change in Burden	Reason for the Change
Providing Covered Person: Systems Development and Monitoring ⁴⁹	170,400 (Initial) 191,700 (Ongoing) 362,100 (Total)	255,000 (Initial) 344,250 (Ongoing) 599,250 (Total)	+84,600 (Initial) +152,550 (Ongoing) +237,150 (Total)	The estimated number of providing Covered Persons increased from 142 to 255. However, the estimated initial burden per providing Covered Person decreased from 3,600 (annualized to 1,200) to 3,000 (annualized to 1,000).
Non-providing Covered Person: Systems Development and Monitoring ⁵⁰	103,800 (Initial) 116,775 (Ongoing) 220,575 (Total)	124,000 (Initial) 167,400 (Ongoing) 291,400 (Total)	+20,200 (Initial) +50,625 (Ongoing) +70,825 (Total)	The estimated number of non-providing Covered Persons increased from 173 to 248. However, the estimated initial burden per non-providing Covered Persons decreased from 1,800 (annualized to 600) to 1,500 (annualized to 500).
Non-providing Covered Person: Entering into Written Agreement with Reporting Agent ⁵¹	1,730 (Initial)	2,480 (Initial)	+750 (Initial)	The estimated number of non-providing Covered Persons increased from 173 to 248.
Reporting Agents: Systems Development and Monitoring	112,800 (Initial) 126,900 (Ongoing) 239,700 (Total)	106,000 (Initial) 143,100 (Ongoing) 249,100 (Total)	-6,800 (Initial) +16,200 (Ongoing) +9,400 (Total)	The estimated number of Reporting Agents increased from 94 to 106. However, the estimated initial burden per Reporting Agent decreased from 3,600 (annualized to 1,200) to 3,000 (annualized to 1,000).
Reporting Agents: Entering into Agreements with Non-Providing Covered Persons	940 (Initial)	1,060 (Initial)	+120 (Initial)	The estimated number of Reporting Agents increased from 94 to 106.
Reporting Agents: Entering into Agreement with RNSA	31 (Initial)	35 (Initial)	+4 (Initial)	The estimated number of Reporting Agents increased from 94 to 106.

⁴⁹ This information collection covers both the “Providing Lending Agents: Systems Development and Monitoring” and “Lenders not Employing a Lending Agent – Self-Providing Lenders: Systems Development and Monitoring” information collections that were included in the Proposing Release Supporting Statement.

⁵⁰ This information collection covers both the “Non-providing Lending Agents: Systems Development and Monitoring” and “Lenders Directly Employing a Reporting Agent: Systems Development and Monitoring” information collections that were included in the Proposing Release Supporting Statement.

⁵¹ This information collection covers both the “Non-providing Lending Agents: Entering into Written Agreement with Reporting Agent” and “Lenders Directly Employing a Reporting Agent: Entering into a Written Agreement with a Reporting Agent” information collections that were included in the Proposing Release Supporting Statement.

Reporting Agents: Record Preservation Requirement	4,888 (Ongoing)	5,512 (Ongoing)	+624 (Ongoing)	The estimated number of Reporting Agents increased from 94 to 106.
RNSA: Implement and maintain infrastructure for information collection and reporting	3,641 (Initial) 7,739.5 (Ongoing) 11,380.5 (Total)	3,641 (Initial) 7,739.5 (Ongoing) 11,380.5 (Total)	-	No change.
RNSA: Retention of Collected Information	52 (Ongoing)	52 (Ongoing)	-	No change.

16. Information Collection Planned for Statistical Purposes

Not applicable. The information collection is not used for statistical purposes.

17. Approval to Omit OMB Expiration Date

The Commission is not seeking approval to omit the OMB approval expiration date.

18. Exceptions to Certification for Paperwork Reduction Act Submissions

This collection complies with the requirements in 5 CFR 1320.9.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

This collection does not involve statistical methods.