SUPPORTING STATEMENT
MINIMUM REQUIREMENTS FOR APPRAISAL MANAGEMENT COMPANIES
OMB No. 3064-0195

INTRODUCTION

The Federal Deposit Insurance Corporation requests OMB approval to extend, for three years, with revisions, the above-captioned collection of information. The clearance for the collection expires on December 31, 2024.

The Federal Deposit Insurance Corporation requests OMB approval to extend, for three years, with revisions, a currently approved information collection (OMB Control No. 3064-0195) consisting of recordkeeping and reporting requirements found in a regulation issued by the Federal Deposit Insurance Corporation ("FDIC"), in coordination with the Office of the Comptroller of the Currency ("OCC"), the Board of Governors of the Federal Reserve System ("Board"), the National Credit Union Administration ("NCUA"), the Bureau of Consumer Financial Protection ("Bureau") and the Federal Home Finance Agency ("FHFA") (collectively, "the agencies"). The FDIC rule, found at 12 CFR part 323, implements the minimum requirements in section 1473 of the Dodd-Frank Wall Street Reform and Consumer Protection Act to be applied by States in the registration and supervision of appraisal management companies (AMCs). The regulation also implements the requirement in section 1473 of the Dodd-Frank Act for States to report to the Appraisal Subcommittee of the Federal Financial Institutions Examination Council (FFIEC) the information required by the Appraisal Subcommittee (ASC) to administer the new national registry of appraisal management companies (AMC National Registry or Registry).

A. JUSTIFICATION

A. Justification.

1. Circumstances that make the collection necessary:

The FDIC, OCC, Board, NCUA, Bureau, and FHFA (Agencies) have issued final rules to implement the minimum requirements in section 1473 of the Dodd-Frank Wall Street Reform and Consumer Protection Act to be applied by States in the registration and supervision of appraisal management companies (AMCs). The final rule also implements the requirement in section 1473 of the Dodd-Frank Act for States to report to the Appraisal Subcommittee of the Federal Financial Institutions Examination Council (FFIEC) the information required by the Appraisal Subcommittee (ASC) to administer the new national registry of appraisal management companies (AMC National Registry or Registry).

2. Use of the information:

The information collection requirements are found at 12 CFR Part 323

State Recordkeeping Requirements

States seeking to register AMCs must have an AMC registration and supervision program. Section 323.11(a) requires each participating State to establish and maintain within its appraiser certifying and licensing agency a registration and supervision program with the legal authority and mechanisms to: (i) review and approve or deny an application for initial registration; (ii) periodically review and renew, or deny renewal of, an AMC's registration; (iii) examine an AMC's books and records and require the submission of reports, information, and documents; (iv) verify an AMC's panel members' certifications or licenses; (v) investigate and assess potential violations of laws, regulations, or orders; (vi) discipline, suspend, terminate, or deny registration renewals of, AMCs that violate laws, regulations, or orders; and (vii) report violations of appraisal-related laws, regulations, or orders, and disciplinary and enforcement actions to the ASC.

Section 323.11(b) requires each participating State to impose requirements on AMCs not regulated by a Federal financial institutions regulatory agency nor owned and controlled by an insured depository institution to: (i) register with and be subject to supervision by a State appraiser certifying and licensing agency in each State in which the AMC operates; (ii) use only State-certified or State-licensed appraisers for Federally-regulated transactions in conformity with any Federally-regulated transaction regulations; (iii) establish and comply with processes and controls reasonably designed to ensure that the AMC, in engaging an appraiser, selects an appraiser who is independent of the transaction and who has the requisite education, expertise, and experience necessary to competently complete the appraisal assignment for the particular market and property type; (iv) direct the appraiser to perform the assignment in accordance with USPAP; and (v) establish and comply with processes and controls reasonably designed to ensure that the AMC conducts its appraisal management services in accordance with section 129E(a)-(i) of TILA.

State Reporting Burden

Section 323.14 requires that each State electing to register AMCs for purposes of permitting AMCs to provide appraisal management services relating to covered transactions in the State must submit to the ASC the information required to be submitted under this Subpart and any additional information required by the ASC concerning AMCs**.**

AMC Reporting Requirements

Section 323.13(c) requires that a Federally regulated AMC must report to the State or States in which it operates the information required to be submitted by the State pursuant to the ASC's policies, including: (i) information regarding the determination of the AMC National Registry fee; and (ii) the information listed in section 323.12.

Section 323.12 provides that an AMC may not be registered by a State or included on the AMC National Registry if such company is owned, directly or indirectly, by any person who has had an appraiser license or certificate refused, denied, cancelled, surrendered in lieu of revocation, or revoked in any State. Each person that owns more than 10 percent of an AMC shall submit to a background investigation carried out by the State appraiser certifying and licensing agency. While section 323.12 does not authorize States to conduct background investigations of

Federally-regulated AMCs, it would allow a State to do so if the Federally-regulated AMC chooses to register voluntarily with the State.

AMC Recordkeeping Requirements

Section 323.10 provides that an appraiser in an AMC's network or panel is deemed to remain on the network or panel until: (i) the AMC sends a written notice to the appraiser removing the appraiser with an explanation; or (ii) receives a written notice from the appraiser asking to be removed or a notice of the death or incapacity of the appraiser. The AMC would retain these notices in its files.

3. Consideration of the use of improved information technology:

Respondents may use any technology they wish.

4. Efforts to identify duplication:

There is no duplication. The information is not available elsewhere.

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

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

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

Less frequent collection would result in safety and soundness concerns.

7. Special circumstances necessitating collection inconsistent with 5 CFR 1320.5(d) (2):

There are no special circumstances. This information collection is conducted in accordance with the guidelines in 5 CFR 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 September 9, 2024 (89 FR 73090). No comments were received.

9. Payment or Gift to Respondents:

No payments or gifts will be provided to respondents.

10. Any assurance of confidentiality:

No assurances of confidentiality have been made in the Rule. The information will be kept private to the extent permitted by law.

11. Justification for questions of a sensitive nature:

None of the information required to be disclosed or maintained is of a sensitive nature.

12. Estimate of Hour Burden Including Annualized Hourly Costs:

This ICR comprises four ICs covering one recordkeeping and three disclosure requirements under Part 323. The ICR was last approved by the Office of Management and Budget (OMB) for renewal on December 31, 2021 ("2021 ICR") with an estimated 3,558 annual responses totaling 2,457 burden hours for an estimated annual cost burden of $139,825. The 2021 ICR contained four ICs titled "Written Notice of Appraiser Removal from Network or Panel," "Develop and Maintain a State Licensing Program," "AMC Reporting Requirements (State and Federal AMCs)," and "State Reporting Requirements to Appraisal Subcommittee." The FDIC notes that the ASC has issued its own regulations or guidance implementing the requirements from the Act related to the information to be presented to the ASC by the participating States and submitted an ICR related to this reporting requirement.[1] Accordingly, the FDIC is removing the associated IC (titled "State Reporting Requirements to Appraisal Subcommittee") for the current ICR. For the IC titled "AMC Reporting Requirements (State and Federal AMCs)," the SMEs suggest amending the title to reflect the underlying burden type and splitting the IC into two separate ICs to estimate the burdens for AMCs that are not federally regulated and those that are federally regulated,[2] using the data available through the AMC National Registry. For this ICR, the two ICs are now titled "AMC Disclosure Requirements (State-regulated AMCs)" and "AMC Disclosure Requirements (federally regulated AMCs)." In summary, this ICR contains the same number of ICs as the 2021 ICR and consists of one recordkeeping and three disclosure ICs.

For each of the ICs, the estimation methodology is to compute the total estimated burden hours for that IC and then assign a share of the burden hours to each of the regulatory agencies (FDIC, FRB, OCC, and FHFA). FDIC estimates the annual labor cost for the FDIC by finding the product of the estimated annual number of respondents, the estimated annual number of responses per respondent, the estimated burden hours per response, the share of the burden attributable to the FDIC, and the estimated average hourly cost of total compensation, weighted by the estimated proportion of occupations used to comply with the IC. Below are the details of this estimation.

Estimated Number of Respondents

IC #1: Written Notice of Appraiser Removal from Network or Panel

This IC relates to the written notice of appraiser removal from the network or panel pursuant to Section 323.10. The respondents to this IC are either natural persons or AMCs. FDIC does not have data on the number of notices provided by the respondents. For the purposes of estimating

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1 See OMB No. 3139-0009 and the accompanying Supporting Statement submitted by the ASC in 2024, available at https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202404-3139-001 (accessed September 12, 2024).

2 Section 323.9 defines a federally regulated AMC as "an AMC that is owned and controlled by an insured depository institution, as defined in 12 U.S.C. 1813 and regulated by [the OCC, FRB, or FDIC]."

the number of respondents for this IC, it assumes one response per respondent and estimates the number of respondents to be equal to the average number of appraisers who leave the profession each year multiplied by the estimated percentage of appraisers who serve on AMC appraiser panels. The number of appraisers who leave is calculated by adding the number of appraisers who quit, are laid off or resign, or leave for other reasons to the number of appraisers that have had their licenses revoked or surrendered. With some exceptions noted below, this estimation methodology is like the methodology used in the 2021 ICR. This methodology likely results in an overestimate of the number of respondents; however, the estimates of the annual number of responses and the annual burden hours will be unaffected.

The number of appraisers who quit, are laid off or resign, or leave the profession for other reasons each year is estimated by multiplying the annual rate of "Total separations" by the number of appraisers for each year. Using data from the Bureau of Labor Statistics (BLS) for the real estate and rental and leasing industry, shown in Table 1 below, the annual rate of "Total separations" in 2023 is 36.0 percent, obtained by multiplying the annual average of the rates for each month in 2023 (3.0 percent) by 12.[3] The rate for 2023 is the same as the median rate of the range of annual rates between 2014 and 2023 (34.8 to 49.2 percent, with a median of 36.0 percent). Thus, FDIC uses the rate of 36.0 percent to provide a reasonable estimate for future periods.

Table 1. Annual Rate of Total Separations for the Real Estate and Rental and Leasing Industry in the United States

Year	Value (in percent)
2014	34.8
2015	36.0
2016	34.8
2017	37.2
2018	36.0
2019	39.6
2020	49.2
2021	34.8
2022	38.4
2023	36.0
Median (2014 to 2023)	36.0

Source: BLS, "Job Openings and Labor Turnover Survey: Real estate and rental and leasing" (Series ID: JTU530000000000000TSR), available at https://www.bls.gov/data/ (accessed September 12, 2024).

3 Bureau of Labor Statistics (BLS), "Job Openings and Labor Turnover Survey: Real estate and rental and leasing" (Series ID: JTU530000000000000TSR), available at https://data.bls.gov/PDQWeb/jt (accessed September 12, 2024). The 2021 ICR used the BLS data for the finance and insurance industry. However, the industry used for the current ICR matches the industry specified in the Federal Register Notice for the Final Rule on Minimum Requirements for Appraisal Management Companies (Final Rule). See 80 Federal Register 32678. The Final Rule reported using BLS data on layoffs and discharges. However, following discussions with the RMS SME, the rate for "Total separations," which includes quits, layoffs and discharges, and other separations, used in the 2021 ICR remains appropriate. See Section 323.10(b), and BLS, "Job Openings and Labor Turnover Survey: Concepts," available at https://www.bls.gov/opub/hom/jlt/concepts.htm (accessed September 12, 2024).

Note: The annual rate is obtained by multiplying the annual average of the monthly rates in each year by 12.

The number of appraisers is estimated by using the median number of appraisers between 2014 and 2023 as a proxy for the level of appraiser employment over the next three years.[4] Table 2 below contains data on annual employment level for appraisers in the U.S. between 2014 and 2023. As seen in Table 2, between 2014 and 2023, the median number of appraisers was 85,000.

Table 2. Annual Level of Employment for Appraisers in the United States	
Year	**Value (in thousands)**
2014	95
2015	76
2016	73
2017	97
2018	84
2019	84
2020	86
2021	80
2022	100
2023	97
Median (2014 to 2023)	85
Source: BLS, "Employed - Appraisers and assessors of real estate" (Series ID: LNU02038218), available at https://data.bls.gov/dataViewer/view/timeseries/LNU02038218 (accessed September 12, 2024).	

Given the data summarized above, the number of appraisers who leave the profession is estimated by multiplying the median annual number of appraisers by the median annual separation rate 85,000 x 36 percent = 30,600.

As stated above, respondents to this IC also include appraisers who have their license revoked or surrendered each year. According to the ASC, between January 1, 2014, and December 31, 2023, the counts of appraisers who have had their license revoked or surrendered are 298 and 281, respectively.[5] Therefore, the annual average over the ten-year span is 58 licenses revoked or surrendered per year.[6]

The number of appraisal removal notices is then calculated by adding the estimate of appraisers

4 BLS, "Employed - Appraisers and assessors of real estate" (Series ID: LNU02038218), available at https://data.bls.gov/dataViewer/view/timeseries/LNU02038218 (accessed September 12, 2024).

5 Federal Financial Institution Examination Council: Appraisal Subcommittee, "Annual Report 2023: Appendix E Appraiser Disciplinary Actions Reported by State," available at https://www.asc.gov/sites/default/files/2024-06/Annual%20Report%202023.pdf (accessed September 12, 2024).

6 The average over the ten years is calculated as (579, or 298 + 281) divided by ten, and rounded up to the nearest one.

who leave the profession to the number of appraisers who have their licenses revoked or surrendered and multiplying by the estimated percent of total appraisers that serve on AMC appraiser panels. In the 2023 fact sheet on the U.S. valuation profession, the Appraisal Institute notes that collectively 92.2 percent of appraisers have the following employment types: self-employed, sole proprietor, independent contractor etc. (no employees or partners) (32.4 percent), self-employed business owner/partner/operator (with employees or partners) (24.5 percent), employee of a medium to large business corporation or organization (24.6 percent), or employee of a small business or organization (10.7 percent).[7] The FDIC believes that the collective share of appraisers in these four employment types could serve as a conservative estimate of the share of appraisers that serve on AMC appraiser panels.[8] The FDIC notes that this is a conservative estimate because there could be portions of appraisers in each type that don't serve on appraiser panels (e.g., executives of medium to large firms, and appraisers that focus on commercial rather than residential appraisals). FDIC assumes 92.2 percent as the estimate of the share of appraisers who serve on AMC appraiser panels. The estimated total number of appraiser removal notices for AMCs is 28,270 notices per year, rounded to the nearest ten.[9] Thus, the total estimated number of annual respondents for this information collection is 28,270.

The estimated number of respondents per year allocated to the four agencies (FDIC, FRB, OCC, and FHFA) is calculated by splitting the total estimated number of annual respondents (28,270) using a ratio of 3:3:3:1.[10] Thus, the estimated number of annual respondents attributable to the FDIC for this IC is 8,481.[11] The estimated number of respondents per year (8,481) is higher than the similar estimate in the 2021 ICR by 7,242 respondents.[12] Two factors contributed to the increase in the estimated number of notices: first, the number of appraisers who leave the profession (30,600) is higher than the estimate in the 2021 ICR (21,586); second, the current ICR estimates a higher share of appraisers that serve on AMC appraiser panels (92.2 percent) relative to the 2021 ICR (19 percent). The estimated share is higher in the current ICR due to the inclusion of additional reported employment types for appraisers, as discussed previously.

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7 The Appraisal Institute reported that the remaining 7.9 percent had other (7.1 percent) or none (0.8 percent) for employment type. Appraisal Institute, "2023 U.S. VALUATION PROFESSION FACT SHEET," available at https://www.appraisalinstitute.org/the-appraisal-profession/what-is-an-appraiser-pdf-library/2023-valuation-profession-fact-sheet, (accessed September 12, 2024).

8 For the 2021 ICR, the estimate for the share of appraisers that serve on AMC appraiser panels only included the share of appraisers that are employee or staff member of a firm (employment type as reported in the 2019 fact sheet available at the time). See the accompanying Supporting Statement submitted by the FDIC for OMB No. 3064-0195 in 2021, available at https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202109-3064-004# (accessed September 12, 2024). For the current ICR, based on regulatory experience, the FDIC updated the share to include the shares associated with the four employment types listed above. FDIC believes the appraisers with the reported employment type 'other' likely work in another capacity, such as in government or education, while those with the type 'none' may be retired. The FDIC notes that appraisers with these two employment types likely wouldn't serve as active appraisers on AMC panels.

9 The estimated total number of appraiser removal notices for AMCs is calculated as (30,600 + 58) X 92.2 percent, which yields 28266.67 notices, or 28,270 after rounding to the nearest ten.

10 The assumption to divide the estimated burden hours (by splitting the total estimated number of respondents) between the agencies is based on conversations between the SMEs at the FDIC, FRB, OCC, and FHFA and is based on the approximate proportion of AMCs supervised by the three banking agencies and evenly split among the three banking agencies.

11 The estimated number of annual respondents attributable to the FRB and the OCC is also 8,481 each. The estimated number of annual respondents attributable to the FHFA is 2,827.

12 See OMB No. 3064-0195, available at https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202109-3064-004# (accessed September 12, 2024).

As discussed above, the total estimated number of annual respondents (28,270) is likely an overestimate of the number of respondents because responses to this IC would be provided by either natural persons or AMCs. None of the respondents who are natural persons would meet the definition of a small entity for the purposes of the Regulatory Flexibility Act (RFA).[13] Of the respondents who are AMCs, there are no data available currently on the number of AMCs that meet the definition of a small entity[14] for purposes of the RFA. Instead, FDIC used the Small Business Administration (SBA) Office of Advocacy's definition of a small business, which is an independent business with fewer than 500 employees.[15] Using this definition, FDIC calculated the fraction of all active AMCs with 500 or fewer appraisers serving on its panels from the nonpublic version of the AMC National Registry for the year 2023 (4,755 out of 4,780 AMCs reported 500 or fewer appraisers on its panels, or approximately 99 percent) to provide a rough estimate of the number of small AMC respondents to this IC.[16] FDIC does not have data to determine the number of these small AMCs that have issued appraiser removal notices. For purposes of this ICR, FDIC uses the conservative assumption that all 4,755 small AMCs would issue at least one appraiser removal notice each year. Thus, FDIC estimates that 4,760 annual respondents to this IC, across all four agencies, are small for purposes of the RFA. Using the ratio of 3:3:3:1 to split the total estimated number of small respondents, FDIC estimate that 1,428 (17%) annual respondents allocated to the FDIC would be considered small.

IC #2: Develop and Maintain a State Licensing Program

States seeking to register AMCs must have an AMC registration and supervision program (AMC program). Section 323.11(a) requires each participating State to establish and maintain within its appraiser certifying and licensing agency a registration and supervision program with the legal authority and mechanisms to: (i) review and approve or deny an application for initial registration; (ii) periodically review and renew, or deny renewal of, an AMC's registration; (iii) examine an AMC's books and records and require the submission of reports, information, and documents; (iv) verify an AMC's panel members' certifications or licenses; (v) investigate and assess potential violations of laws, regulations, or orders; (vi) discipline, suspend, terminate, or deny registration renewals of AMCs that violate laws, regulations, or orders; and (vii) report violations of appraisal-related laws, regulations, or orders, and disciplinary and enforcement actions to the ASC.

Section 323.11(b) requires each participating State to impose requirements on AMCs not

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13 5 U.S.C. 601 et seq.

14 The Small Business Administration (SBA) defines a small office of real estate appraisers (NAICS 531320) as having $9.5 million or less in annual receipts. See 13 CFR 121.201.

15 U.S. SBA Office of Advocacy, "Frequently Asked Questions About Small Business, 2023," available at https://advocacy.sba.gov/2023/03/07/frequently-asked-questions-about-small-business-2023/ (accessed September 12, 2024). To estimate the number of small entities, the 2021 ICR used the share of insured depository institutions that would meet the definition of a small banking organization based on the SBA threshold in effect at the time.

16 ASC nonpublic AMC National Registry data for calendar year 2023, obtained from ASC staff on July 17, 2024, stored under this memo's workpapers on FDIC SharePoint. The SMEs at the FDIC note that appraisers that serve on AMC appraiser panels are likely to be independent contractors (12 CFR 323.9(e)) and the SBA does not consider independent contractors to be employees for purposes of calculating a firm's number of employees. See U.S. SBA, "Small Business Compliance Guide: A Guide to the SBA's Size Program and Affiliation Rules, March 2023," available at https://www.sba.gov/document/support-affiliation-guide-size-standards (accessed September 12, 2024). However, the SMEs note that the methodology described above is reasonable and appropriate for providing a rough approximation of the count of small AMC respondents.

regulated by a Federal financial institutions regulatory agency nor owned and controlled by an insured depository institution to: (i) register with and be subject to supervision by a State appraiser certifying and licensing agency in each State in which the AMC operates; (ii) use only State-certified or State-licensed appraisers for Federally-regulated transactions in conformity with any Federally-regulated transaction regulations; (iii) establish and comply with processes and controls reasonably designed to ensure that the AMC, in engaging an appraiser, selects an appraiser who is independent of the transaction and who has the requisite education, expertise, and experience necessary to competently complete the appraisal assignment for the particular market and property type; (iv) direct the appraiser to perform the assignment in accordance with USPAP; and (v) establish and comply with processes and controls reasonably designed to ensure that the AMC conducts its appraisal management services in accordance with section 129E(a)-(i) of the Truth in Lending Act.

This recordkeeping burden falls on States that currently do not have an AMC program and have not developed a system to register and oversee AMCs. States that already have an AMC program would have incurred all of the burdens associated with the recordkeeping requirements described above at the time of implementation and would not incur any ongoing burdens. The 2021 ICR estimated the number of respondents as the number of States that did not have an AMC program at that time (the territories of Guam, Mariana Islands, Puerto Rico, and the U.S. Virgin Islands). The implicit assumption in the 2021 ICR's methodology is that these States would establish a program in the subsequent three years. According to the ASC's 2023 Annual Report, currently there are five States (Hawaii, and the territories of Guam, Mariana Islands, Puerto Rico, and the U.S. Virgin Islands) that do not have an AMC program. However, FDIC does not have data to forecast the number of States that would establish a program in the next three years. The FDIC believes that using a placeholder estimate of one respondent per year is reasonable and appropriate to preserve this burden for any State that may establish a program in the future. Since respondents to this IC are States, none of the respondents are considered "small" for purposes of the RFA. The estimated number of respondents is split equally amongst the four agencies which amounts to 1 respondent each, after rounding up to a whole number. Despite the change in methodology discussed above which affects the total estimated number of respondents, relative to the 2021 ICR, the FDIC's estimated annual number of respondents remained the same due to rounding.

IC #3: AMC Disclosure Requirements (State-regulated AMCs)[17]

The third information collection relates to disclosure requirements for AMCs that are not federally regulated AMCs ("state-regulated AMCs") pursuant to Section 323.12, which involves information sent by AMCs to third parties, including States and the AMC National Registry. The disclosure requirement for this IC includes registration limitations/requirements. Based on the National Registry data for years 2021, 2022, and 2023, there were 3,496, 4,111, and 4,780 active AMCs, respectively. The number of state-regulated AMCs for years 2021, 2022, and 2023 are 3,400, 3,999, and 4,646, respectively. Though an AMC can operate in multiple States, the Registry does not contain a distinct identifier for each AMC. Without this data, FDIC cannot calculate, with accuracy or consistency, the number of distinct, active state-regulated AMCs in

17 For the current ICR, as noted previously, the FDIC changed the title of this IC to reflect the underlying burden type and split the IC to include only state-regulated AMCs.

each year. Thus, the counts reflect the total number of active state-regulated AMCs across all States in each year. FDIC assumes that the number of active, state-regulated AMCs in the Registry for each year is a combination of newly registered AMCs and AMCs that did not renew their registration (or were denied registration by the State(s)). Consequently, the FDIC is using the average number of state-regulated AMCs for the prior three years as a reasonable estimate of the number for the next three years which results in 4,020, state-regulated AMCs.

As noted previously, there are no data available currently on the number of AMCs that are small. As a rough approximation, FDIC uses the fraction of all active state-regulated AMCs with 500 appraisers or fewer in the nonpublic version of the AMC National Registry for the year 2023 (4,622 out of 4,646 state-regulated AMCs, or approximately 99 percent) for purposes of the RFA to estimate the number of small respondents to this IC. Thus, FDIC estimates that 3,980 respondents to this IC, across all four agencies, are small for purposes of the RFA. Using the ratio of 3:3:3:1 to split the total estimated number of small respondents, FDIC estimates that 1,194 annual respondents allocated to the FDIC would be considered small.

IC #4: AMC Disclosure Requirements (Federally regulated AMCs)

The fourth information collection relates to AMC disclosure requirements for federally regulated AMCs pursuant to Section 323.13(c). The disclosure requirements for this IC include registration limitations/requirements, as applicable, as well as information regarding the determination of the AMC National Registry fee. In the National Registry data for years 2021, 2022, and 2023, there were 96, 112, and 134 federally regulated AMCs, respectively. As discussed previously, since the Registry does not contain distinct identifiers for AMCs that operate in multiple States, these counts reflect the total number of active, federally regulated AMCs across all States in each year. As discussed in IC #3, based on his experience, the FDIC believes that using the average number of federally regulated AMCs for the prior three years is a reasonable estimate of the number for the next three years and estimates that the number of federally regulated AMCs is 114.

As noted previously, there are no data available currently on the number of AMCs that are small. As a rough approximation, FDIC uses the fraction of all active federally regulated AMCs with 500 appraisers or fewer in the nonpublic version of the AMC National Registry for the year 2023 (133 out of 134 federally regulated AMCs, or approximately 99 percent) for purposes of the RFA to estimate the number of small respondents to this IC. Thus, FDIC estimates that 113 respondents to this IC, across all three banking agencies, are small for purposes of the RFA. After splitting the total estimated number of small respondents by three, FDIC estimates that nearly all 38 annual respondents allocated to the FDIC would be considered small.

Estimated Annual Responses per Respondent and Frequency of Responses

For IC #1, following the 2021 ICR methodology, FDIC assumes an AMC receives one written notice from each appraiser asking to be removed from the appraiser panel, or sends one notice to each appraiser removing him/her from the panel. Thus, the estimated number of responses per respondent is one. The frequency of response is “On Occasion.”

For IC #2, following the 2021 ICR methodology, FDIC assumes that States without a registration and licensing program would develop and maintain a single program for each State. Thus, the estimated number of responses per respondent is one. The frequency of response for this IC is also “on occasion.”

As discussed previously, IC #3 relates to the disclosure requirements for state-regulated AMCs. The respondents to this IC would provide disclosures under Section 323.12 related to the initial ownership limitations and background investigations to the States in which the AMCs operate once the State establishes an AMC program. For this IC, FDIC assumes that all activities a state-regulated AMC undertakes each year for the State(s) in which it operates that do not have an AMC program constitute a single response. As discussed previously, though there are currently four States, excluding Hawaii, that do not have an AMC program, FDIC used a placeholder estimate of one respondent per year for any State that may establish a program in the future. Since a state-regulated AMC would incur this burden in the event a State that it operates in establishes an AMC program in the future, FDIC uses “On Occasion” as the frequency of response for this IC.

Relative to the 2021 ICR, the estimated number of responses per respondent decreased by one due to the following change in the methodology. The 2021 ICR estimated the number of responses per respondent (two, after rounding up) as the product of the number of States that did not have an AMC registration program (four States at the time) and the average share of States in which state-regulated AMCs operated (an estimated 19.56 out of 55 States, or approximately 35 percent). The 2021 ICR used the results from a 2013 CFPB survey to estimate the average share of States in which state-regulated AMCs operated. As noted earlier, without a distinct identifier for each AMC in the Registry, FDIC cannot estimate the number of States in which a state-regulated AMC operates using most recent data. To be conservative, for the current ICR, FDIC assumes that all state-regulated AMCs would be operating in the State(s) that establish a program in the future. Since the States that currently do not have an AMC program are small territories, this methodology likely results in an overestimate of the number of responses per respondent. The frequency of response stayed the same between the current and 2021 ICRs.

As discussed previously, IC #4 relates to the disclosure requirements for federally regulated AMCs. SMEs at the FDIC note that the respondents to this IC would provide the disclosures to the States in which the AMCs operate once the State establishes an AMC program. For this IC, FDIC assumes that all activities a federally regulated AMC undertakes each year for the State(s) in which it operates that do not have an AMC program constitute a single response. As discussed previously, though there are currently four States, excluding Hawaii, that do not have an AMC program, FDIC used a placeholder estimate of one respondent per year for any State that may establish a program in the future. Since a federally regulated AMC would incur this burden in the event a State that it operates in establishes an AMC program in the future, FDIC uses “On Occasion” as the frequency of response for this IC. Relative to the 2021 ICR, the estimated number of responses per respondent decreased by one due to the change in the methodology, as explained above. The frequency of response stayed the same between the current and 2021 ICRs.

Estimated Time per Response

The 2021 ICR estimate of the hour burden per written notice of appraiser removal was 0.08

hours, or 5 minutes after rounding up. The RMS SME believes this estimate remains reasonable and appropriate for this IC. I trust and rely on the SME and use 5 minutes as the estimated time per response for IC #1.

The 2021 ICR estimate of the hour burden for a State without a registration program or system to establish one was 40 hours. The RMS SME believes this estimate remains reasonable and appropriate for this IC. I trust and rely on the SME and use 40 hours as the estimated time per response for IC #2.

The 2021 ICR estimate of the hour burden for a state-regulated or federally regulated AMC to provide the relevant information in a State in which it operates was one hour. The RMS SME believes this estimate remains reasonable and appropriate for IC #3 and IC #4. I trust and rely on the SMEs and use one hour each as the estimated time per response for IC #3 and IC #4.

The FDIC's estimated annual burden, in hours, is the product of the estimated number of respondents per year allocated to the FDIC, the estimated number of responses per respondent per year, and the estimated hours per response, as summarized in Table 3 below. The FDIC's total estimated annual burden for this information collection is 1,991 hours. Relative to the 2021 ICR, the estimated hour burden in the current ICR (1,991) is lower by 466 hours. The decrease is driven predominantly by the decrease in the estimated annual number of responses per respondents for IC #3. The estimated annual number of responses per respondent is lower than the estimate in the 2021 ICR for this IC for the reasons discussed above.

Summary of Estimated Annual Burden (OMB No. 3064-0195)					
Information Collection (IC) (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. Written Notice of Appraiser Removal From Network or Panel, 12 CFR 323.10 (Mandatory)	Disclosure (On occasion)	8,481	1	00:05	707
2. Develop and Maintain a State Licensing Program, 12 CFR Parts 323.11(a) and 323.11(b) (Mandatory)	Recordkeeping (On occasion)	1	1	40:00	40
3. AMC Disclosure Requirements (State-regulated AMCs), 12 CFR Part 323.12 (Mandatory)	Disclosure (On occasion)	1,206	1	01:00	1,206
4. AMC Disclosure	Disclosure	38	1	01:00	38

Requirements (Federally regulated AMCs), 12 CFR Part 323.13(c) (Mandatory)	(On occasion)				
				Total Annual Burden (Hours):	***1,991***
Source: FDIC. Note: The estimated annual IC time burden is the product, rounded to the nearest hour, of the estimated annual number of responses and the estimated time per response for a given IC. The estimated annual number of responses is the product, rounded to the nearest whole number, of the estimated annual number of respondents and the estimated annual number of responses per respondent. This methodology ensures the estimated annual burdens in the table are consistent with the values recorded in OMB's consolidated information system.					

Total Labor Cost of Estimated Annual Burden

To estimate the average cost of compensation per hour, FDIC uses the 75th percentile hourly wages reported by the Bureau of Labor Statistics (BLS) National Industry-Specific Occupational Employment and Wage Estimates (OEWS) for the relevant occupations in the Real Estate and Rental and Leasing industry. However, the latest OEWS wage data are as of May 2023 and do not include non-wage compensation. To adjust these wages for use in this estimate, FDIC multiplies the OEWS hourly wages by approximately 1.4 to account for non-wage compensation, using the BLS Employer Cost of Employee Compensation (ECEC) data as of March 2023 (the latest published release prior to the OEWS wage data). It then multiplies the resulting compensation rates by approximately 1.03 to account for the change in the seasonally adjusted Employment Cost Index for the Real Estate sector between March 2023 and March 2024.

After calculating these adjustments, FDIC weights the total hourly compensation for the occupations assumed to be involved in responding to this ICR, to find the estimated hourly cost of complying with this ICR. The estimated hourly compensation rate is shown in the following Table:

Summary of Hourly Burden Cost Estimate (OMB No. 3064-0195)								
Information Collection (IC) (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. ($145.59)	Lawyer ($181.4)	Compl. Ofc. ($76.79)	IT ($110.5)	Fin. Anlst. ($99.92)	Clerical ($39.25)	
1. Written Notice of Appraiser Removal	35.51	0	0	0	0	50	50	$56.68

From Network or Panel, 12 CFR 323.10 (Mandatory)								
2. Develop and Maintain a State Licensing Program, 12 CFR Parts 323.11(a) and 323.11(b) (Mandatory)	2.01	5	5	5	50	25	10	$80.48
3. AMC Disclosure Requirements (State-regulated AMCs), 12 CFR Part 323.12 (Mandatory)	60.57	0	0	0	0	50	50	$56.68
4. AMC Disclosure Requirements (Federally regulated AMCs), 12 CFR Part 323.13(c) (Mandatory)	1.91	0	0	0	0	50	50	$56.68
Weighted Average Hourly Compensation Rate:								***$57.16***

Source: Bureau of Labor Statistics: 'National Industry-Specific Occupational Employment and Wage Estimates: Industry: Real Estate and Rental and Leasing' (May 2023), Employer Cost of Employee Compensation (March 2023), and Employment Cost Index (March 2023 and March 2024). 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.

Note: The estimated hourly compensation rate for a given IC is the average of the hourly compensation rates for the occupations used to comply with that IC, weighted by the estimated share of hours spent by each occupation. The weighted average hourly compensation rate for the entire ICR is the average of the estimated hourly compensation rates for all ICs, weighted by the share of hourly burden for IC. These hourly weights, as shown in the "Hourly Weight" column of this table, are the quotients of the estimated number of annual burden hours for each IC and the total estimated number of annual burden hours across all ICs.

Using the FDIC's estimated total annual burden hours and the estimated weighted average hourly compensation rate, the total estimated cost burden, as shown in the table below, for the FDIC for OMB No. 3064-0195 is $113,806 per year. The estimated cost burden is lower than the 2021 ICR by $26,019. The decrease is driven both by the decrease in the estimated number of responses per respondent for IC #3 and decreases in the hourly cost estimates shown in the table above due to the change in the industry, both of which are discussed previously.

Total Estimated Cost Burden (OMB No. 3064-0195)			
Information Collection Request	Annual Burden (Hours)	Weighted Average Hourly Compensation Rate	Annual Respondent Cost
Minimum Requirements for Appraisal Management Companies	1,991	$57.16	$113,806
		Total Annual Respondent Cost:	***$113,806***
Source: FDIC.			

13. Estimate of start-up cost to respondents:

There are no capital or start-up costs associated with this collection. In addition, there are no system and technology acquisition or operation and maintenance costs.

14. Estimates of annualized cost to the federal government:

None.

15. Analysis of change in burden:

See section 12 above.

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

The information collected will not be published by the FDIC.

17. Exceptions to expiration date display

Not applicable.

18. Exceptions to certification:

There are no exceptions to certification.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.