

SUPPORTING STATEMENT
PRIVACY OF CONSUMER FINANCIAL INFORMATION
(OMB Control No. 3064-0136)

INTRODUCTION

The Federal Deposit Insurance Corporation (FDIC) is requesting a three-year renewal of the information collection for its collection (3064-0136) associated with privacy of consumer financial information. The current clearance for the collection expires on April 30, 2025. There is no change in the method or substance of the collection.

A. JUSTIFICATION

1. Circumstances that make the collection necessary:

The elements of this information collection are required under section 504 of the Gramm-Leach-Bliley Act (Act), Public Law No. 106-102. Section 502 of the Act prohibits a financial institution from disclosing nonpublic personal information about a consumer to nonaffiliated third parties unless the institution satisfies various disclosure requirements (i.e., provides a privacy notice and opt out notice) and the consumer has not elected to opt out of the disclosure. Section 504 requires the Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Office of Thrift Supervision, National Credit Union Administration, Federal Trade Commission, and Securities and Exchange Commission to issue regulations as necessary to implement the notice requirements and restrictions.

2. Use of Information:

Consumers use the privacy notice information to determine whether they want personal information disclosed to third parties that are not affiliated with the institution. Further, consumers use the opt-out notice mechanism to advise the bank of their wishes regarding disclosure of their personal information. Institutions use the opt-out information to determine the wishes of their consumers and to act appropriately.

3. Consideration of the use of improved information technology:

The collections are disclosures, filings from consumers, and internal institution records. Institutions are not prohibited from using any technology that facilitates consumer understanding and response and that permits review, as appropriate, by examiners.

4. Efforts to Identify Duplication:

The information required by this collection is not available elsewhere.

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

The information collections do not impose any significant burden beyond that required by the statute. Because of the statutory requirements, there are no significant alternatives that minimize burden on small institutions.

This collection has a significant impact on a substantial number of small entities. In particular, according to Call Report data as of June 30, 2024, there were 2,840 FDIC-supervised institutions. Of these, 77 percent (2,173) are considered small entities for purposes of the Regulatory Flexibility Act (RFA).

6. Consequences to Less Frequent Collections:

The collection in the regulation closely follows the Gramm-Leach-Bliley Act, which requires institutions to provide an updated and annually restated notice to their customers of their privacy policies and practices, and to permit consumers to opt-out of disclosure of their personal information.

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

None.

8. Consultation with Persons Outside the FDIC:

A 60-day notice seeking public comment on the FDIC's renewal of the information collection was published on January 23, 2025 (90 FR 8027). No comments were received.

9. Payment or Gift to Respondents:

Not applicable.

10. Any assurance of confidentiality:

Any information deemed to be of a confidential nature would be exempt from public disclosure in accordance with the provisions of the Freedom of Information Act (5 U.S.C. 552).

11. Justification for questions of a sensitive nature:

No questions of a sensitive nature are included in the collection.

12. Estimate of Hour Burden Including Annualized Hourly Costs:

Summary of Estimated Annual Burden (OMB No. 3064-0136)					
Information Collection (IC) (Obligation to Respond)	Type of Burden (Frequency of Response)	Number of Respondents	Number of Responses per Respondent	Average Time per Response (HH:MM)	Annual Burden (Hours)
IC1: Initial drafting of Notice to Consumers (12 CFR 1016.4) (Mandatory)	Disclosure (Annual)	83	1	240:00	19,920
IC2: Annual notice and change in terms (12 CFR 1016.5) (Mandatory)	Disclosure (Annual)	349	1	60:00	20,940
IC3: Opt-out Notice (12 CFR 1016.7) (Mandatory)	Disclosure (Annual)	182	1	8:00	1,456
IC4: Consumer opt-out (12 CFR 1016.10) (Mandatory)	Recordkeeping (Annual)	182	1	1:00	182
Total Annual Burden (Hours):					42,498
Source: FDIC.					

Summary of Hourly Burden Cost Estimate (OMB No. 3064-0136)								
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. (\$146.1)	Lawyer (\$182.0)	Compl. Ofc. (\$77.0)	IT (\$110.9)	Fin. Anlst. (\$100.2)	Clerical (\$39.3)	
IC1: Initial drafting of Notice to Consumers (12 CFR 1016.4) (Mandatory)	46.87	25	25	25	25	--	--	\$129.05
IC2: Annual notice and change in terms (12 CFR 1016.5) (Mandatory)	49.27	25	25	25	25	--	--	\$129.05
IC3: Opt-out Notice (12 CFR 1016.7) (Mandatory)	3.43	33	33	34	--	--	--	\$134.51
IC4: Consumer opt-out (12 CFR 1016.10) (Mandatory)	0.43	25	--	25	25	--	25	\$93.38
Weighted Average Hourly Compensation Rate:								\$129.08
Source: Bureau of Labor Statistics.								

Total Estimated Cost Burden (OMB No. 3064-0136)

Information Collection Request	Annual Burden (Hours)	Weighted Average Hourly Compensation Rate	Annual Respondent Cost
Privacy of Consumer Financial Information	42,498	\$129.08	\$5,485,642
Total Annual Respondent Cost:			\$5,485,642
Source: FDIC.			

13. Capital, Start-up, Operating, and Maintenance Estimate of Start-up Costs to Respondents:

There are no anticipated capital, start-up, or operating costs.

14. Estimates of annualized cost to the federal government:

None.

15. Analysis of Change in Burden:

This collection was revised to more accurately reflect the material burdens imposed by regulation P on FDIC-supervised IDIs and their customers and consumers. The decrease in burden hours (from 123,510 hours to 42,498 hours) is the result of this revision. In particular, due to technological advances and changes in business practices, the burden on consumers to opt out is now de minimis.

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

The information contained in this collection is not published.

17. Display of Expiration Date:

This information collection is contained in a regulation.

18. Exceptions to certification:

None.

B. STATISTICAL METHODS

Statistical methods are not employed in this collection.