

Supporting Statement
Reverse Mortgage Products – Guidance for Managing Compliance and Risks
OMB Control No. 1557-0246

A. Justification.

1. Circumstances that make the collection necessary:

On August 17, 2010, the OCC, FDIC, FRB, and NCUA issued guidance¹ focusing on the need to provide adequate information to consumers about reverse mortgage products, to provide qualified independent counseling to consumers considering these products, and to avoid potential conflicts of interest. It also addressed related policies, procedures, internal controls, and third-party risk management.

2. Use of the information:

The information collection requirements contained in the guidance include provisions related to the implementation of policies and procedures, training, and program maintenance. The requirements provide that —

- Institutions offering reverse mortgages should have written policies and procedures that prohibit the practice of directing a consumer to a particular counseling agency or contacting a counselor on the consumer's behalf.
- Policies should be clear so that originators do not have an inappropriate incentive to sell other products that appear linked to the granting of a mortgage.
- Legal and compliance reviews should include oversight of compensation programs so that lending personnel are not improperly encouraged to direct consumers to particular products.
- Training should be designed so that relevant lending personnel are able to convey information to consumers about product terms and risks in a timely, accurate, and balanced manner.

3. Consideration of the use of improved information technology:

Respondents may use any technology that allows compliance with the collection.

4. Efforts to identify duplication:

To the extent that institutions already have policies in place that align with the guidance's recommendations, no new policies would be necessary. Generally, the guidance to adopt policies and internal controls for reverse mortgage products would be consistent with an institution's existing loan policies.

5. If the collection of information impacts small businesses or other small

¹ 75 FR 50801.

entities, describe any methods used to minimize burden.

This information collection imposes only the minimum burden necessary to meet the goals of the collection.

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

Reverse mortgage lending risks could not be adequately monitored by the OCC.

7. Special circumstances that would cause an information collection to be conducted in a manner inconsistent with 5 CFR Part 1320:

The information collection is conducted in accordance with the requirements of 5 CFR Part 1320.

8. Efforts to consult with persons outside the agency:

The OCC issued a 60-day *Federal Register* notice on May 20, 2025, 90 FR 21543. No comments were received.

9. Payment or gift to respondents:

None.

10. Any assurance of confidentiality:

None.

11. Justification for questions of a sensitive nature:

There are no questions of a sensitive nature.

12. Burden estimate:

Number of Respondents: 12 (11 existing, 1 new).
Burden per Respondent:

40 hours to implement policies and procedures and to provide training.
8 hours annually to maintain program.

Total Burden:

11 existing respondents x 8 hours annually to maintain program = 88 hours
1 new respondent x 8 hours annually to maintain program = 8 hours
1 new respondent x 40 hours to implement policies and procedures and to provide training = 40 hours.

Total estimated annual burden: 136 hours.

Cost of Hour Burden

136 hours x \$131.10 = \$17,829.60

To estimate wages the OCC reviewed May 2024 data for wages (by industry and occupation) from the U.S. Bureau of Labor Statistics (BLS) for credit intermediation and related activities (NAICS 5220A1). To estimate compensation costs associated with the rule, the OCC uses \$131.10 per hour, which is based on the average of the 90th percentile for six occupations adjusted for inflation (3.6 percent as of Q1 2024), plus an additional 35.6 percent for benefits (based on the percent of total compensation allocated to benefits as of Q4 2024 for NAICS 522: credit intermediation and related activities).

13. Estimate of total annual costs to respondents (excluding cost of hour burden in Item #12):

None.

14. Estimate of annualized costs to the federal government:

None.

15. Change in burden:

None.

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

The OCC has no plans to publish the information for statistical purposes.

17. Reasons for not displaying OMB approval expiration date:

Not applicable.

18. Exceptions to the certification statement in Item 19 of OMB Form 83-I:

None.

B. Collections of Information Employing Statistical Methods.

Not applicable.