

**Supporting Statement**  
**Fair Credit Reporting Risk-Based Pricing Regulations**  
**16 C.F.R. Part 640**  
**(OMB Control No. 3084-0145)**

**Overview of Information Collection**

The Federal Trade Commission requests a three-year extension of an existing clearance from the Office of Management and Budget (“OMB”) for the information collection requirements contained in the Fair Credit Reporting Risk-Based Pricing Regulations (Risk-Based Pricing Rule or Rule), 16 C.F.R. part 640.

**1. Necessity for Collecting the Information**

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) was enacted on July 21, 2010.<sup>1</sup> The Dodd-Frank Act transferred to the CFPB most of the FTC’s rulemaking authority for the risk-based pricing provisions of the Fair Credit Reporting Act (FCRA),<sup>2</sup> on July 21, 2011.<sup>3</sup> After the enactment of the Dodd-Frank Act, the FTC retains rulemaking authority for its Risk-Based Pricing Rule (16 CFR part 640) solely for motor vehicle dealers described in section 1029(a) of the Dodd-Frank Act that are predominantly engaged in the sale and servicing of motor vehicles, the leasing and servicing of motor vehicles, or both.<sup>4</sup> The FTC shares enforcement authority with the CFPB for provisions of Regulation V, Subpart H (12 CFR 1022.70–1022.75) that apply to entities other than motor vehicle dealers described above.

The Risk-Based Pricing Rule and the CFPB’s Regulation V require that a creditor provide a risk-based pricing notice to a consumer when the creditor uses a consumer report to grant or extend credit to the consumer on material terms that are materially less favorable than the most favorable terms available to a substantial proportion of consumers from or through that creditor.<sup>5</sup> Additionally, these provisions require disclosure of credit scores and information relating to credit scores in risk-based pricing notices if a credit score of the consumer is used in setting the material terms of credit.

**2. Use of the Information**

The Rule does not require the FTC to collect any information from covered entities, and the FTC does not collect any information from covered entities pursuant to this Rule. As set out in specification #1 above, the Rule requires covered entities to require that a creditor provide a risk-based pricing notice to a consumer when the creditor uses a consumer report to grant or

---

<sup>1</sup> Pub. L. 111-203, 124 Stat. 1376 (2010).

<sup>2</sup> 15 U.S.C. 1681 *et seq.*

<sup>3</sup> Dodd-Frank Act, sec. 1061. This date was the “designated transfer date” established by the Treasury Department under the Dodd-Frank Act. *See* Dep’t of the Treasury, *Bureau of Consumer Financial Protection; Designated Transfer Date*, 75 FR 57252, 57253 (Sept. 20, 2010); *see also* Dodd-Frank Act, sec. 1062.

<sup>4</sup> *See* Dodd-Frank Act secs. 1029(a), (c).

<sup>5</sup> 16 CFR 640.3–640.4; 12 CFR 1022.72–1022.73.

extend credit to the consumer on material terms that are materially less favorable than the most favorable terms available to a substantial proportion of consumers from or through that creditor. Additionally, these provisions require disclosure of credit scores and information relating to credit scores in risk-based pricing notices if a credit score of the consumer is used in setting the material terms of credit.

### **3. Consideration of the Use of Information Technology to Reduce Burden**

Consistent with the aims of the Government Paperwork Elimination Act, 44 U.S.C. § 3504 note, the Rules allow creditors to use applicable technologies to reduce compliance costs. The Rules are flexible and technology-neutral.

### **4. Efforts to Identify Duplication**

Apart from the Dodd-Frank Act amendments to the FCRA that enable some overlapping FCRA jurisdiction between the FTC and the CFPB, the FTC staff has not identified any other federal or state statutes, rules, or policies that duplicate, overlap, or conflict with the Risk-Based Pricing Rule.

### **5. Efforts to Minimize the Burden on Small Businesses**

The Rules apply only to creditors that engage in risk-based pricing, regardless of the creditor's size. The Rules require those creditors to provide risk-based pricing notices. Additionally, creditors using credit scores to make risk-based pricing decisions must include a credit score and information pertaining to it in the risk-based pricing notice. The Rules provide a model notice that businesses may use to comply with this requirement. Alternatively, a business may comply with the regulations by providing a credit score disclosure notice. By providing a range of options and model notices, the Agencies have sought to help businesses of all sizes reduce the burden or inconvenience of complying with the Rules.

### **6. Consequences of Conducting the Collection Less Frequently**

Risk-based pricing notices required under the Rules are inherently transaction specific; thus, reducing their frequency is not feasible. The compliance burden associated with the Rules is diminished by the inclusion of model notices that creditors may use.

### **7. Special Circumstances Requiring Collection Inconsistent with Guidelines**

The collection of information in the Rules is consistent with all applicable guidelines contained in 5 C.F.R. § 1320.5(d)(2).

### **8. Consultation Outside the Agency**

As a prelude to this request, the Commission sought public comment. See 91 Fed. Reg. 20654 (Apr. 17, 2026). No relevant comments were received. Pursuant to the OMB regulations that implement the PRA (5 C.F.R. part 1320), the FTC is providing a second opportunity for

public comment while seeking OMB approval to extend the existing paperwork clearance for the Rule.

## **9. Payments or Gifts to Respondents**

Not applicable.

## **10. Assurances of Confidentiality**

No assurance of confidentiality is necessary because the Rules do not require creditors to register or file any documents with the Commission.

## **11. Matters of a Sensitive Nature**

The Rule does not require the disclosure of any information of a sensitive nature.

## **12. Hours and Labor Cost Burden**

Estimated Annual Burden Hours: 10,667,220

Estimated Annual Labor Costs: \$246,626,126<sup>6</sup>

The Commission estimates that approximately 294,612 entities are covered by the FTC and CFPB Rules,<sup>7</sup> including 60,963 motor vehicle dealers that are subject to exclusive FTC jurisdiction.<sup>8</sup> The FTC assumes the full burden for the motor vehicle dealers subject to its exclusive jurisdiction and shares burden for the remaining entities subject to both CFPB and FTC

---

<sup>6</sup> This estimate is updated from the prior estimate of \$239,052,400 that was included in the 60-day Federal Register notice. The updated estimate is based on more current information released on May 15, 2026, from the Bureau of Labor Statistics, Occupational Employment and Wages – May 2025, Table 1: National Employment and Wage Data from the Occupational Employment and Wage Statistics Survey by Occupation, May 2025, <https://www.bls.gov/news.release/ocwage.htm>.

<sup>7</sup> See NAICS Association, LLC, NAICS Code Drill-Down Tool, (the categories of covered entities include “Furniture and Home Furnishings Retailers” (NAICS 4491) (<https://www.naics.com/six-digit-naics/?v=2022&code=44-45>), “Electronics and Appliance Retailers” (NAICS 449210) (<https://www.naics.com/six-digit-naics/?v=2022&code=44-45>), and “Consumer Lending” (NAICS 55291) (<https://www.naics.com/six-digit-naics/?v=2022&code=52>). See also U.S. Census Bureau, All Sectors: County Business Patterns, including ZIP Code Business Patterns, by Legal Form of Organization and Employment Size Class for the U.S., States, and Selected Geographies: 2023, <https://data.census.gov/table?q=Business+and+Economy&codeset=naics~221> (for utilities). The estimate also includes state-chartered credit unions, which are subject to the Commission’s jurisdiction. See 15 U.S.C. 1681s. Commission staff relied on an estimate from the National Credit Union Administration for the number of non-federal credit unions. See National Credit Union Administration, Quarterly Credit Union Data Summary 2025 Q4, <https://ncua.gov/files/publications/analysis/quarterly-data-summary-2025-Q4.pdf> (Dec. 2025). There are an estimated 118,491 furniture and home furnishing retailers, 76,522 electronics and appliance retailers, 16,656 consumer lending businesses, 20,379 utilities, and 1,601 state-chartered credit unions.

<sup>8</sup> See U.S. Census Bureau, All Sectors: County Business Patterns, including ZIP Code Business Patterns, by Legal Form of Organization and Employment Size Class for the U.S., States, and Selected Geographies: 2023, <https://data.census.gov/table/CBP2023.CB2300CBP?y=2023&codeset=naics~44111:44112:44121:44122:441228>. This total is based on an estimated 47,057 new and used car dealers, 2,972 recreational vehicle dealers, 4,246 boat dealers, and 6,688 motorcycle, ATV, and other motor vehicle dealers.

enforcement authority. Accordingly, as an analytical framework, the FTC estimates burden pertaining to respondents over which both agencies have shared enforcement authority, divides the resulting total by one-half to reflect the FTC's shared burden, and adds to the resulting subtotal the estimated burden for motor vehicle dealers over which the FTC retains exclusive rulemaking and enforcement authority.

This yields a total of 177,787 respondents for whom the FTC accounts for burden (60,963 motor vehicle dealers plus one-half (*i.e.*, 116,824) of the remaining 233,649 entities subject to shared FTC-CFPB jurisdiction). The FTC estimates that covered entities spend approximately 60 hours per year to comply with the Rule's requirements. As a result, the FTC estimates that the total burden hours attributable to FTC requirements are 10,667,220 hours (177,787 respondents x 60 hours).

Labor costs are derived by applying estimated hourly cost figures to the burden hours described above. The FTC assumes that respondents will use correspondence clerks, at a mean hourly wage of \$23.12,<sup>9</sup> to modify and distribute notices to consumers, for a cumulative labor cost total of approximately \$246,626,126 (10,667,220 hours x \$23.12 per hour).

### **13. Estimated Capital/Other Non-Labor Costs Burden**

The FTC believes that the FTC and CFPB Rules impose negligible capital or other non-labor costs, as the affected entities are likely to have the necessary supplies or equipment already (*e.g.*, offices and computers) for the information collections discussed above.

### **14. Estimated Cost to the Federal Government**

The Commission estimates that the yearly cost to the FTC of administering or enforcing the requirements of the Rules during the 3-year clearance period will be approximately \$26,000. This represents one-tenth of an attorney work year at GS-15, step-5, under the locality pay scale for Washington, DC, and includes employee benefits. The wage rates are multiplied by 1.36 based on the FTC's average benefits rate.

### **15. Program Changes or Adjustments**

There are no program changes. The differences in burden estimates from the prior clearance reflect updates in the estimated number of respondents and the hourly costs associated with compliance with the Rules.

### **16. Plans for Tabulation and Publication**

There are no plans to publish any information.

---

<sup>9</sup> See Bureau of Labor Statistics, Occupational Employment and Wages – May 2025, Table 1: National Employment and Wage Data from the Occupational Employment and Wage Statistics Survey by Occupation, May 2025, <https://www.bls.gov/news.release/ocwage.htm>.

**17. Requested Permission Not to Display the Expiration Date for OMB Approval**

The OMB control number and expiration date associated with this PRA submission will be displayed on the Federal government's electronic PRA docket at [www.reginfo.gov](http://www.reginfo.gov). The OMB control numbers for current information collections is also found at 16 C.F.R. § 1.101 in the Code of Federal Regulations. There are no required forms or other documents upon which display of the control number and expiration date would be appropriate.

**18. Exceptions to the "Certification for Paperwork Reduction Act Submissions"**

The Commission certifies that the collection of information encompassed by this request complies with 5 C.F.R. § 1320.9 and the related provisions of 5 C.F.R. § 1320.8(b)(3). There is no certification for the use of effective and efficient statistical survey methodology pursuant to 5 C.F.R. § 1320.9(i) because that is not applicable to this collection.