

**Supporting Statement for
OMB Control Number 1557-NEW
Procedures to Enhance the Accuracy and Integrity
of Information Furnished to Consumer Reporting Agencies
under Section 312 of the
Fair and Accurate Credit Transactions Act of 2003**

A. Justification

1. Circumstances that make the collection necessary:

The Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, the Federal Trade Commission, and the National Credit Union Administration (Agencies) are required by section 312 of the Fair and Accurate Credit Transactions Act of 2003 (FACT Act) to issue guidelines for use by furnishers regarding the accuracy and integrity of the information about consumers that they furnish to consumer reporting agencies and prescribe regulations requiring furnishers to establish reasonable policies and procedures for implementing the guidelines. Section 312 also requires the Agencies to issue regulations identifying the circumstances under which a furnisher must reinvestigate disputes about the accuracy of information contained in a consumer report based on a direct request from a consumer.

2. Use of the information:

Proposed section 41.42(a) would require furnishers to establish and implement reasonable written policies and procedures regarding the accuracy and integrity of information relating to consumers that they provide to a consumer reporting agency (CRA). This proposed rule would require furnishers to put into writing policies and procedures that address their section 312 responsibilities regarding the accuracy and integrity of information. Furnishers' accuracy and integrity policies and procedures may include their existing policies and procedures that are reasonable and appropriate.

Proposed section 41.43(a) would permit consumers to initiate disputes directly with the furnishers. This gives consumers a new way to dispute consumer report information; instead of having to go through a CRA as permitted by the Fair Credit Reporting Act, consumers would have the right to go directly to the furnisher in certain circumstances. Under the proposed rule, furnishers would have to follow a process substantially similar to what they currently use for handling disputes submitted through a CRA. Furnishers would need to amend their procedures to ensure that disputes received directly from consumers are handled in a substantially similar manner to the CRA dispute process.

Proposed section 41.43(e)(2) incorporates the statutory requirement that a furnisher must notify a consumer by mail or other means (if authorized by the consumer) not later than five business days after making a determination that a dispute is frivolous or irrelevant. Proposed section 41.43(e)(3) incorporates the statute's content requirements for the notices.

3. Consideration of the use of improved information technology:

National banks may adopt any existing technology relevant to producing or delivering the information.

4. Efforts to identify duplication:

There is no duplication. The information is not available from any other source.

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

This collection of information imposes on banks, regardless of size, only the minimum burden necessary to accomplish the program objectives discussed in Items 1 and 2. The collection does not have a significant impact on a substantial number of small entities.

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

The Agencies would be unable to meet the requirements of the statute.

7. Special circumstances necessitating collection inconsistent with 5 CFR Part 1320:

Not applicable. This collection will be conducted consistent with the guidelines in 5 CFR 1320.6.

8. Efforts to consult with persons outside the agency:

On December 13, 2007, the Agencies published a notice of proposed rulemaking in the Federal Register (72 FR 70944) requesting public comment on the proposed rule and proposed information collection.

9. Payment to respondents:

None.

10. Any assurance of confidentiality:

No assurance of confidentiality is made.

11. Justification for questions of a sensitive nature:

There are no questions of a sensitive nature.

12. Burden estimate:

Number of respondents: 1,800.

Number of frivolous or irrelevant dispute notices: 312,335.

Estimated burden per notice: 5 minutes.

Estimated burden per respondent: 21 hours to implement written policies and procedures and training associated with the written policies and procedures, 4 hours to amend procedures for handling complaints received directly from consumers, 4 hours to implement the new dispute notice requirement.

Total estimated annual burden: 78,228 hours.

The OCC estimates the cost of the hour burden to respondents as follows:

Frivolous or Irrelevant Dispute Notices:

312,335 notices x \$8.00 per notice = **\$2,498,680**

Written Policies and Procedures; Training; Amendment of Procedures for Handling Direct Complaints; Implementation of New Dispute Notice Requirement:

Compliance Staff	33.33% x 52,200	= 17,398 @ \$107 = \$ 1,861,586
Senior Management	33.33% x 52,200	= 17,398 @ \$134 = 2,331,332
Legal Counsel:	33.33% x 52,200	= 17,398 @ \$161 = <u>2,801,078</u>
Total:		= \$ 6,993,996

Frivolous or Irrelevant Dispute Notices	\$2,498,680
	\$9,492,676

13. Estimates of annualized costs to respondents:

Not applicable.

14. Estimate of annualized costs to the government:

Not applicable.

15. Change in burden:

+ 1,800 respondents; + 78,228 burden hours.

[New collection.]

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

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

17. Display of expiration date:

Not applicable.

18. Exceptions to certification statement:

None.

B. Collections of Information Employing Statistical Methods

Not applicable.