

**CONSUMER FINANCIAL PROTECTION BUREAU
INFORMATION COLLECTION REQUEST – SUPPORTING STATEMENT
PRIVACY OF CONSUMER FINANCIAL INFORMATION
(REGULATION P) 12 CFR 1016
(OMB CONTROL NUMBER: 3170-0010)**

A. JUSTIFICATION

1. Circumstances Necessitating the Data Collection

The CFPB submits this collection for an extension without change. This collection is part of CFPB’s restatement of information collections from other agencies as transferred under the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Section 502 of the Gramm-Leach-Bliley Act (GLB Act) (Pub. L. 106-102) generally prohibits a financial institution from sharing nonpublic personal information about a consumer with nonaffiliated third parties unless the institution satisfies various disclosure requirements (including provision of initial privacy notices, annual notices, notices of revisions to the institution’s privacy policy, and opt-out notices) and the consumer has not elected to opt out of the information sharing. The CFPB is promulgating regulations to implement the GLB Act’s notice requirements and restrictions on a financial institution’s ability to disclose nonpublic personal information about consumers to nonaffiliated third parties.

2. Use of the Information

Consumers use the privacy notice 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 institution 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 in accordance with their customers’ instructions.

3. Use of 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 collections of information are unique and cover the institution’s particular circumstances. No duplication exists.

5. Efforts to Minimize Burdens on Small Entities

The information collection requirements do not impose any significant burden beyond that required by statute. In addition, as directed by section 728 of the “Financial Services

Regulatory Relief Act of 2006” (Pub. L. No. 109-351), section 1016.2 and Appendix A provide a model form for the disclosures, which may be used at the option of the financial institution. Use of the model form should minimize the burden of this collection.

6. Consequences of Less Frequent Collection and Obstacles to Burden Reduction

The information collection requirements closely follow the GLB Act, which requires institutions to provide an annual notice of their privacy policies and practices to their customers, and to permit customers to opt-out of the disclosure of their personal information. There is no flexibility under the GLB Act to collect the information less frequently.

7. Circumstances Requiring Special Information Collection

Not applicable. The collections of information in Regulation P are consistent with the applicable guidelines contained in 5 CFR 1320.5(d)(2).

8. Consultation Outside the Agency

This notice of final rule was published in the Federal Register (76 FR 79025), on December 21, 2011. Comments were requested from the general public for future consideration.

In response to the Federal Register notice (77 FR 2685), dated January 19, 2012, we received no comments during the comment period regarding this interim final rule.

9. Payments or Gifts to Respondents

Not applicable.

10. Assurances of Confidentiality

Not applicable.

11. Justification for Sensitive Questions

There are no questions of a sensitive nature.

12. Estimated Burden of Information Collection

Hours: 516,000

CFPB’s estimate of the burden for ongoing recordkeeping and disclosure requirements under Regulation P is based on the assumption that the total ongoing burden for this regulation, across all agencies, remains the same as it was before the regulation was restated by the CFPB. Prior to the passage of the Dodd-Frank Act, the ongoing recordkeeping and disclosure burdens for Regulation P allocated to the prudential regulators and the FTC were approximately 6,272,000 hours. In light of the changes made by the

Dodd-Frank Act, roughly 516,000 hours of that burden is being reallocated to the CFPB. Specifically, CFPB is being allocated burden for 180 depository institutions (comprising depository institutions with total assets of more than \$10 billion and their depository affiliates) which is the approximate number of such depository entities that the CFPB now has primary enforcement authority for with respect to Regulation P.¹ The CFPB is also being allocated half of the Federal Trade Commission (FTC) burden amount after subtracting the burden which the FTC has attributed to itself for motor vehicle dealers.²

Associated Labor Costs: \$ 12,043,000

The CFPB calculated labor costs by applying appropriate hourly cost figures to the burden hours described above. The hourly rates used are those associated with the burden hours assumed from the other regulatory agencies, which differ by agency.

The CFPB estimates that the ongoing recordkeeping and disclosure costs allocated to the CFPB under Regulation P are \$12,043,000. This estimate was calculated by summing the CFPB's share of costs from the supporting statements of the other agencies, following each agency's own cost analysis. For a detailed breakdown of the cost analysis, please reference the other agencies' supporting statements for Regulation P.

13. Estimated Total Annual Cost Burden to Respondents or Recordkeepers

As suggested by OMB, our Federal Register notice dated January 19, 2012, requested public comments on estimates of cost burden that are not captured in the estimates of burden hours, i.e., estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information. However, we did not receive any responses from individuals on this subject. As a result, estimates of these cost burdens are not available at this time.

14. Estimated Cost to the Federal Government

As the CFPB does not collect any information, the cost to the CFPB is negligible.

15. Program Changes or Adjustments

There were no changes made to the document that resulted in any change to the burden previously reported to OMB.

We are making this submission to renew the OMB approval.

16. Plans for Tabulation, Statistical Analysis, and Publication

Not applicable.

¹ These include 27 from the Board, 70 from the OCC, 24 from the OTS, 3 from the NCUA, and 56 from the FDIC.

² The Dodd-Frank Act exempts certain motor vehicle dealers from CFPB's enforcement authority. However, due to the difficulty of making a reliable estimate of those dealers, the FTC has attributed to itself the PRA burden for all motor vehicle dealers. This attribution does not change actual enforcement authority.

17. Display of Expiration Date

We believe that displaying the OMB expiration date is inappropriate because it could cause confusion by leading consumers to believe that the regulation sunsets as of the expiration date. Consumers are not likely to be aware that the Bureau intends to request renewal of OMB approval and obtain a new expiration date before the old one expires.

18. Exceptions to the Certification Requirement

None.

Note: The following paragraph applies to all of the collections of information in this submission:

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number.