

SUPPORTING STATEMENT
Home Mortgage Disclosure Act (HMDA)
(OMB Control No. 3064-0046)

INTRODUCTION

The Federal Deposit Insurance Corporation (FDIC) is requesting a three-year extension without revision of the information collection entitled “Home Mortgage Disclosure Act (HMDA)” (OMB Control Number 3064-0046). The clearance being requested is for the collection imposed by the Federal Reserve Board’s (FRB) Regulation C and applicable to insured state nonmember banks supervised by the FDIC pursuant to the asset size threshold established by Regulation C. This OMB submission is consistent with the FDIC’s Fair Housing regulation, 12 CFR Part 338. This information collection expires October 31, 2019.

A. JUSTIFICATION

1. Circumstances that make the collection necessary:

The Board of Governors of the Federal Reserve System promulgated Regulation C, 12 CFR Part 203, to implement the Home Mortgage Disclosure Act (HMDA), 12 U.S.C. § 2801-2810. Regulation C requires depository institutions that meet its asset-size threshold to maintain data about home loan applications (the type of loan requested, the purpose of the loan, whether the loan was approved, and the type of purchaser if the loan was later sold), to update the information quarterly, and to report the information annually. The Home Mortgage Disclosure Act now comes under the authority of the Consumer Finance Protection Bureau (CFPB).

Regulation C applies to insured State nonmember banks supervised by the FDIC if those banks have assets over a certain dollar threshold which is determined annually pursuant to a method required by section 2225 of the Economic Growth and Paperwork Reduction Act of 1996 (EGRPRA) (Pub. L. 104-208, codified at 12 U.S.C. § 2808 (b)). The FDIC enforces HMDA with regard to insured state nonmember banks pursuant to 12 U.S.C. § 2804(b)(1)(C).

The FDIC's Part 338 requires insured state nonmember banks which have assets over a determined amount to provide the same information required by Regulation C within 30 days after the end of each calendar quarter of the final disposition of each covered loan application. Banks may use a format known as the Loan Application Register to comply with the FDIC’s Part 338 information requirement.

This submission requests renewal of OMB’s approved collection of information only for those FDIC supervised banks that are covered by the FRB’s Regulation C, and does not request approval for a collection of information requirement for banks whose assets are below the threshold for Regulation C coverage.

2. Use of the information:

The FDIC uses the information to assist its examiners in determining that the banks it supervises comply with applicable provisions of HMDA. The data permit regulators and the public to detect possible instances of unlawful discrimination in connection with certain housing-related credit.

3. Consideration of the use of improved information technology:

The FDIC encourages use of technology to reduce burden on respondents by providing free computer software to pre-edit the HMDA data, thereby saving significant costs of resubmission.

4. Efforts to identify duplication:

The information requested from FDIC supervised institutions pursuant to the FRB's Regulation C is not duplicated elsewhere. The FDIC is not requesting clearance for any collection of information similar to Regulation C.

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

The collection of information does not have a significant impact on a substantial number of small institutions.

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

Without this information, the FDIC would be unable to meet the requirements of the statute.

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

None. This information collection is conducted in accordance with the guidelines in 5 CFR 1320.5(d)(2).

8. Efforts to consult with persons outside the agency:

On July 12, 2019, the FDIC published a Federal Register notice proposing to extend the Home Mortgage Disclosure Act existing information collection (84 FR 33259). The FDIC did not receive any comments addressing this collection of information.

9. Payments or gifts to respondents:

None.

10. Any assurance of confidentiality:

The records kept under this collection are maintained by banks and reported annually. The CFPB requires this information to be made available to the public. However, details relating to the identification of the applicants are redacted. Any summaries or memoranda made by the FDIC as part of the examination process are kept confidential to the extent permitted by law.

11. Justification for questions of a sensitive nature:

The information includes material that might be considered sensitive in nature such as the race or national origin, gender and income of loan applicants. The collection of this information is required by statute. Whenever the information is disclosed to the public, it is redacted to omit dates of application, dates of decisions on applications and application numbers.

12. Estimate of hour burden including annualized hourly costs:

Estimated Annual Burden

Summary of Annual Burden							
Information Collection (IC) Description	Type of Burden	Obligation to Respond	Estimated Number of Respondents	Estimated Frequency of Responses	Estimated Time per Response (hours)	Frequency of Response	Total Annual Estimated Burden (hours)
IC#1 – Full Data Home Mortgage Disclosure (HMDA)	Reporting	Mandatory	650	1,400	0.083	On Occasion	75,833
IC#1 – Partial Data Home Mortgage Disclosure (HMDA)	Reporting	Mandatory	1,200	200	0.042	On Occasion	10,000
TOTAL HOURLY BURDEN							85,833

The estimated labor cost¹ is calculated as follow:

Estimated Category of Personnel Responsible for Complying with the PRA Burden	Total Estimated Hourly Compensation	Estimated Weights	Estimated Total Weighted Labor Cost Component
Executives and Managers *	\$122.31	2%	\$2.45
Lawyers **	\$156.07	10%	\$15.61
Compliance Officers ***	\$63.36	20%	\$12.67
IT Specialist †	\$89.17	20%	\$17.83
Financial Analysts ††	\$83.23	3%	\$2.50
Clerical ‡	\$31.89	45%	\$14.35
Total Estimated Weighted Average Hourly Compensation Rate		100%	\$65.41

Source: Bureau of Labor Statistics, "National Industry-Specific Occupational Employment and Wage Estimates: Depository Credit Intermediation Sector" (May 2017), Employer Cost of Employee Compensation (December 2018), Consumer Price Index (December 2018).

* Occupation (SOC Code): Management Occupations (111000)

** Occupation (SOC Code): Lawyers, Judges, and Related Workers (231000)

*** Occupation (SOC Code): Compliance Officers (131041)

† Occupation (SOC Code): Computer and Mathematical Occupations (150000),

†† Occupation (SOC Code): Financial Analysts (132051)

‡ Occupation (SOC Code): Office and Administrative Support Occupations (430000)

The dollar value of the 85,833 hours of total estimated annual burden is \$5,614,337 (85,833 hours x \$65.41).

13. Estimate of start-up costs to respondents:

None.

14. Estimate of annualized costs to the government:

None

15. Analysis of change in burden:

There is no change in the method or substance of the collection. The hour burden has decreased by 10,133 hours since the 2016 ICR. The decrease is due to

¹ The wage information reported by the Bureau of Labor Statistics (BLS) in the Specific Occupational Employment and Wage Estimates does not include health benefits and other non-monetary benefits. According to the December 2018 Employer Cost of Employee Compensation data compensation rates for health and other benefits are 33.7 percent of total compensation. Additionally, the wage has been adjusted for inflation according BLS data on the Consumer Price Index for Urban Consumers (CPI-U) so that it is contemporaneous with the non-wage compensation statistic.

changes in respondents, frequency, and estimated time response. The fluctuations in the number of respondents and the frequency of response are considered normal.

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

The results of this collection will not be published for statistical use..

17. Display of expiration date:

Not applicable.

18. Exceptions to Certification

None.

B. Collection of Information Employing Statistical Methods

Not Applicable.