



## **FEDERAL RESERVE SYSTEM**

### **Proposed Agency Information Collection Activities; Comment Request**

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Notice, request for comment.

**SUMMARY:** The Board of Governors of the Federal Reserve System (Board) invites comment on a proposal to extend for three years, without revision, the Interagency Guidance on Managing Compliance and Reputation Risks for Reverse Mortgage Products (FR 4029; OMB No. 7100-0330).

**DATES:** Comments must be submitted on or before [INSERT DATE 60 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER].

**ADDRESSES:** You may submit comments, identified by *FR 4029*, by any of the following methods:

- Agency Website: <http://www.federalreserve.gov>. Follow the instructions for submitting comments at <http://www.federalreserve.gov/apps/foia/proposedregs.aspx>.
- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- E-mail: [regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov). Include OMB number in the subject line of the message.
- FAX: (202) 452-3819 or (202) 452-3102.
- Mail: Ann E. Misback, Secretary, Board of Governors of the Federal Reserve System, 20<sup>th</sup> Street and Constitution Avenue, NW, Washington, DC 20551.

All public comments are available from the Board's website at

<http://www.federalreserve.gov/apps/foia/proposedregs.aspx> as submitted, unless modified for

technical reasons. Accordingly, your comments will not be edited to remove any identifying or contact information. Public comments may also be viewed electronically or in paper form in Room 3515, 1801 K Street (between 18<sup>th</sup> and 19<sup>th</sup> Streets NW) Washington, DC 20006 between 9:00 a.m. and 5:00 p.m. on weekdays. For security reasons, the Board requires that visitors make an appointment to inspect comments. You may do so by calling (202) 452-3684. Upon arrival, visitors will be required to present valid government-issued photo identification and to submit to security screening in order to inspect and photocopy comments.

Additionally, commenters may send a copy of their comments to the OMB Desk Officer – Shagufta Ahmed – Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, 725 17<sup>th</sup> Street, NW, Washington, DC 20503 or by fax to (202) 395-6974.

**FOR FURTHER INFORMATION CONTACT:** A copy of the PRA OMB submission, including the proposed reporting form and instructions, supporting statement, and other documentation will be placed into OMB’s public docket files, once approved. These documents will also be made available on the Federal Reserve Board’s public website at:

<http://www.federalreserve.gov/apps/reportforms/review.aspx> or may be requested from the agency clearance officer, whose name appears below.

Federal Reserve Board Clearance Officer – Nuha Elmaghrabi – Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, Washington, DC 20551 (202) 452-3829.

Telecommunications Device for the Deaf (TDD) users may contact (202) 263-4869, Board of Governors of the Federal Reserve System, Washington, DC, 20551.

**SUPPLEMENTARY INFORMATION:** On June 15, 1984, the Office of Management and Budget (OMB) delegated to the Board authority under the Paperwork Reduction Act (PRA) to

approve of and assign OMB control numbers to collection of information requests and requirements conducted or sponsored by the Board. In exercising this delegated authority, the Board is directed to take every reasonable step to solicit comment. In determining whether to approve a collection of information, the Board will consider all comments received from the public and other agencies.

**Request for comment on information collection proposal**

The Board invites public comment on the following information collection, which is being reviewed under authority delegated by the OMB under the PRA. Comments are invited on the following:

- a. Whether the proposed collection of information is necessary for the proper performance of the Federal Reserve's functions, including whether the information has practical utility;
- b. The accuracy of the Federal Reserve's estimate of the burden of the proposed information collection, including the validity of the methodology and assumptions used;
- c. Ways to enhance the quality, utility, and clarity of the information to be collected;
- d. Ways to minimize the burden of information collection on respondents, including through the use of automated collection techniques or other forms of information technology; and
- e. Estimates of capital or startup costs and costs of operation, maintenance, and purchase of services to provide information.

At the end of the comment period, the comments and recommendations received will be analyzed to determine the extent to which the Federal Reserve should modify the proposal prior to giving final approval.

**Proposal to approve under OMB delegated authority the extension for three years, without revision, of the following report:**

*Report title:* Interagency Guidance on Managing Compliance and Reputation Risks for Reverse Mortgage Products.

*Agency form number:* FR 4029.

*OMB control number:* 7100-0330.

*Frequency:* Annual.

*Respondents:* State member banks that originate proprietary reverse mortgages.

*Estimated number of respondents:* Implementation of policies and procedures, 1 respondent; and Review and maintenance of policies and procedures, 15 respondents.

*Estimated average hours per response:* Implementation of policies and procedures, 40 hours; and Review and maintenance of policies and procedures, 8 hours.

*Estimated annual burden hours:* Implementation of policies and procedures, 40 hours; and Review and maintenance of policies and procedures, 120 hours.

*General description of report:* Reverse mortgages are home-secured loans typically offered to elderly consumers. Financial institutions currently provide two types of reverse mortgage products: the lenders' own proprietary reverse mortgage products and reverse mortgages insured by the U.S. Department of Housing and Urban Development's Federal Housing Administration (FHA). Reverse mortgage loans insured by the FHA are made pursuant to the guidelines and rules established by HUD's Home Equity Conversion Mortgage (HECM) program.<sup>1</sup> HECM loans and proprietary reverse mortgages are also subject to consumer financial protection laws

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<sup>1</sup> See 12 U.S.C. 1715z-20; 24 C.F.R. part 206.

and regulations, *e.g.*, the regulations that implement laws such as the Real Estate Settlement Procedures Act (RESPA) and the Truth in Lending Act (TILA).

In August 2010, the Federal Financial Institutions Examination Council (FFIEC), on behalf of its member agencies,<sup>2</sup> published a *Federal Register* notice adopting supervisory guidance titled “Reverse Mortgage Products: Guidance for Managing Compliance and Reputation Risks.”<sup>3</sup> The guidance is designed to help financial institutions with risk management and assist financial institutions’ efforts to ensure that their reverse mortgage lending practices adequately address consumer compliance and reputation risks.

The reverse mortgage guidance discusses the reporting, recordkeeping, and disclosures required by federal laws and regulations and also discusses consumer disclosures that financial institutions typically provide as a standard business practice. Certain portions of the guidance are “information collections” subject to the PRA’s requirements.

*Legal authorization and confidentiality:* The information collection is authorized pursuant to section 11 of the Federal Reserve Act, 12 U.S.C. 248 (state member banks); sections 25 and 25A of the Federal Reserve Act, 12 U.S.C. 625 (Edge and Agreement corporations); section 5 of the Bank Holding Company Act of 1956, 12 U.S.C. 1844 (bank holding companies and, in conjunction with section 8 of the International Banking Act, 12 U.S.C. 3106, foreign banking organizations); section 7(c) of the International Banking Act of 1978, 12 U.S.C. 3105(c) (branches and agencies of foreign banks); and section 10 of the Home Owners’ Loan Act, 12 U.S.C. 1467a, (savings and loan holding companies). This guidance is voluntary.

Because the documentation required by the guidance is maintained by each institution, the Freedom of Information Act (FOIA) would only be implicated if the Federal Reserve’s

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<sup>2</sup> The Federal Reserve, the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Office of the Comptroller of the Currency, and the Office of Thrift Supervision.

<sup>3</sup> 75 FR 50801.

examiners retained a copy of this information as part of an examination or as part of its supervision of a financial institution. However, records obtained as a part of an examination or supervision of a financial institution are exempt from disclosure under FOIA exemption (b)(8) (5 U.S.C. 552(b)(8)). In addition, the information may also be kept confidential under exemption 4 of the FOIA which protects commercial or financial information obtained from a person that is privileged or confidential (5 U.S.C. 552(b)(4)).

Board of Governors of the Federal Reserve System, June 28, 2018.

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**Michele Taylor Fennell,**

*Assistant Secretary of the Board.*

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