



[Billing code: 6750-01-S]
FEDERAL TRADE COMMISSION
Agency Information Collection Activities;
Submission for OMB Review; Comment Request; Extension

AGENCY: Federal Trade Commission (“FTC” or “Commission”).

ACTION: Notice.

SUMMARY: In compliance with the Paperwork Reduction Act (PRA) of 1995, the FTC is seeking public comments on its request to the Office of Management and Budget (“OMB”) to extend for three years the current PRA clearances for the information collection requirements in four consumer financial regulations that the Commission enforces. Those clearances expire on July 31, 2018.

DATES: Comments must be filed by [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

ADDRESSES: Interested parties may file a comment online or on paper, by following the instructions in the Request for Comment part of the **SUPPLEMENTARY INFORMATION** section below. Write “Regs BEMZ, PRA Comments, P084812” on your comment and file your comment online at <https://ftcpublishcommentworks.com/ftc/RegsBEMZpra2> by following the instructions on the web-based form. If you prefer to file your comment on paper, mail your comment to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue, NW, Suite CC-5610 (Annex J), Washington, DC 20580, or deliver your comment to the following address: Federal Trade Commission, Office of the Secretary, Constitution Center, 400 7th Street, SW, 5th Floor, Suite 5610 (Annex J), Washington, DC 20024.

FOR FURTHER INFORMATION CONTACT: Requests for additional information or copies of the proposed information requirements should be addressed to Carole Reynolds or

Stephanie Rosenthal, Attorneys, Division of Financial Practices, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Ave., NW, Washington, DC 20580, (202) 326-3224.

SUPPLEMENTARY INFORMATION: On April 3, 2018, the FTC sought public comment on the information collection requirements associated with the four consumer financial regulations at issue. 83 FR 14273. No relevant comments were received. The four regulations covered by that and this Notice were and are, respectively:

(1) Regulations promulgated under the Equal Credit Opportunity Act, 15 U.S.C. 1691 et seq. (“ECOA”) (“Regulation B”) (OMB Control Number: 3084-0087);

(2) Regulations promulgated under the Electronic Fund Transfer Act, 15 U.S.C. 1693 et seq. (“EFTA”) (“Regulation E”) (OMB Control Number: 3084-0085);

(3) Regulations promulgated under the Consumer Leasing Act, 15 U.S.C. 1667 et seq. (“CLA”) (“Regulation M”) (OMB Control Number: 3084-0086); and

(4) Regulations promulgated under the Truth-In-Lending Act, 15 U.S.C. 1601 et seq. (“TILA”) (“Regulation Z”) (OMB Control Number: 3084-0088).

The FTC enforces these statutes as to all businesses engaged in conduct that these laws cover unless the businesses (such as federally chartered or insured depository institutions) are subject to the regulatory authority of another federal agency.

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”), Pub. L. 111–203, 124 Stat. 1376 (2010), almost all rulemaking authority for the ECOA, EFTA, CLA, and TILA transferred from the Board of Governors of the Federal Reserve System (Board) to the Bureau of Consumer Financial Protection (BCFP) on July 21, 2011 (“transfer date”). To implement this transferred authority, the BCFP published interim final rules for new

regulations in 12 CFR Part 1002 (Regulation B), 12 CFR Part 1005 (Regulation E), 12 CFR Part 1013 (Regulation M), and 12 CFR 1026 (Regulation Z) for those entities under its rulemaking jurisdiction, which were issued as final rules thereafter.¹ Although the Dodd-Frank Act transferred most rulemaking authority under ECOA, EFTA, CLA, and TILA to the BCFP, the Board retained rulemaking authority for certain motor vehicle dealers² under these statutes and also for certain interchange-related requirements under EFTA.³

As a result of the Dodd-Frank Act, the FTC and the BCFP generally share the authority to enforce Regulations B, E, M, and Z for entities for which the FTC had enforcement authority before the Act.⁴ For certain motor vehicle dealers and for certain state-chartered credit unions, the FTC generally has exclusive enforcement jurisdiction.⁵ The division of PRA burden hours not attributable to motor vehicle dealers and, when appropriate, to state-chartered credit unions,

¹ 12 CFR 1002 (Reg. B) (76 FR 79442, Dec. 21, 2011) (81 FR 25323, Apr. 28, 2016); 12 CFR 1005 (Reg. E) (76 FR 81020, Dec. 27, 2011); (81 FR 25323, Apr. 28, 2016) 12 CFR 1013 (Reg. M) (76 FR 78500, Dec. 19, 2011) (81 FR 25323, Apr. 28, 2016); 12 CFR 1026 (Reg. Z) (76 FR 79768, Dec. 22, 2011) (81 FR 25323, Apr. 28, 2016).

² Generally, these are dealers “predominantly engaged in the sale and servicing of motor vehicles, the leasing and servicing of motor vehicles, or both.” See Dodd-Frank Act, § 1029(a), -(c).

³ See Dodd-Frank Act, § 1075 (these requirements are implemented through Board Regulation II, 12 CFR 235, rather than EFTA’s implementing Regulation E).

⁴ This covers a myriad of entities that provide credit to consumers, as well as BCFP retaining concurrent jurisdiction over certain types of motor vehicle dealers. See Dodd-Frank Act § 1029(a), as limited by subsection (b) as to motor vehicle dealers. Subsection (b) does not preclude BCFP regulatory oversight regarding, among others, businesses that extend retail credit or retail leases for motor vehicles in which the credit or lease offered is provided directly from those businesses to consumers, where the contract is not routinely assigned to unaffiliated third parties.

⁵ See Dodd-Frank Act § 1029(a) – (c) regarding motor vehicle dealers, as limited by subsection (b) concerning motor vehicle dealers engaged in direct financing for vehicles they sell, lease, or service. Subsection (c) recognizes the FTC’s ongoing enforcement authority over motor vehicle dealers predominantly engaged in the sale and servicing of motor vehicles, the leasing and servicing of motor vehicles, or both, including those that, among other things, assign their contracts to unaffiliated third parties.

The FTC’s enforcement authority also includes state-chartered credit unions. In varying ways, other federal agencies also have enforcement authority over state-chartered credit unions. For example, for large credit unions (exceeding \$10 billion in assets), the BCFP has certain authority. The National Credit Union Administration also has certain authority for state-chartered federally insured credit unions, and it additionally provides insurance for certain state-chartered credit unions through the National Credit Union Share Insurance Fund and examines state-chartered credit unions for various purposes. See *generally* Dodd-Frank Act, §§ 1061, 1025, 1026.

is reflected in the BCFP's PRA clearance requests to OMB, as well as in the FTC's burden estimates below. The burden estimates associated with all motor vehicle dealers and now, when appropriate, the estimated burden estimates associated with state-chartered credit unions, are reflected in the burden summaries below as a "carve-out."⁶

The regulations impose certain recordkeeping and disclosure requirements associated with providing credit or with other financial transactions. Under the PRA, 44 U.S.C. 3501-3521, Federal agencies must get OMB approval for each collection of information they conduct or sponsor. "Collection of information" includes agency requests or requirements to submit reports, keep records, or provide information to a third party. *See* 44 U.S.C. 3502(3); 5 CFR 1320.3(c).

The required recordkeeping and disclosures do not impose PRA burden on some covered entities because they make those disclosures and maintain records in their normal course of activities.⁷ For other covered entities that do not, their compliance burden will vary widely depending on the extent to which they have developed effective computer-based or electronic systems and procedures to communicate and document required recordkeeping and disclosures.⁸

⁶ As of the third quarter of 2017, there was approximately the following number of state-chartered credit unions: 2,347 state-chartered credit unions - 2,106 federally insured, 125 privately insured, and 116 in Puerto Rico insured by a quasi-governmental entity. Because of the difficulty in parsing out PRA burden for such entities in view of the overlapping agency authority (*see supra* note 5), the FTC's estimates include PRA burden for all state-chartered credit unions (rounded to 2,300). Similarly, because it is not practicable for PRA purposes to estimate the portion of motor vehicle dealers that engage in one form of financing versus another (and that would or would not be subject to BCFP oversight), the FTC staff's "carve-out" for this PRA burden analysis reflects a general estimated volume of motor vehicle dealers. These attributions of burden estimation for motor vehicle dealers and state-chartered credit unions do not bear on actual enforcement authority.

⁷ PRA "burden" does not include "time, effort, and financial resources" expended in the normal course of business, regardless of any regulatory requirement. *See* 5 CFR 1320.3(b)(2).

⁸ For example, large companies may use computer-based and/or electronic means to provide required disclosures, including issuing some disclosures en masse, e.g., notice of changes in terms. Smaller companies may have less automated compliance systems but may nonetheless rely on electronic mechanisms for disclosures and recordkeeping. Regardless of size, some entities may utilize compliance systems that are fully integrated into their general business operational system; if so, they may have minimal additional burden. Other entities may have incorporated fewer of these approaches into their systems and thus may have a higher burden.

Covered entities, may incur some burden associated with ensuring that they do not prematurely dispose of relevant records (i.e., during the time span they must retain records under the applicable regulation).

The regulations also require covered entities to make disclosures to third parties. Related compliance involves set-up/monitoring and transaction-specific costs. “Set-up” burden, incurred only by covered new entrants, includes their identifying the applicable required disclosures, determining how best to comply, and designing and developing compliance systems and procedures. “Monitoring” burden, incurred by all covered entities, includes their time and costs to review changes to regulatory requirements, make necessary revisions to compliance systems and procedures, and to monitor the ongoing operation of systems and procedures to ensure continued compliance. “Transaction-related” burden refers to the time and cost associated with providing the various required disclosures in individual transactions, thus, generally, of much less magnitude than “monitoring” (or “setup”) burden. The FTC’s estimates of transaction time and volume are intended as averages.

Calculating the burden associated with the regulations’ requirements is very difficult because of the highly diverse group of affected entities. The “respondents” included in the following burden calculations consist of, among others, credit and lease advertisers, creditors, owners (such as purchasers and assignees) of credit obligations, financial institutions, service providers, certain government agencies and others involved in delivering electronic fund transfers (“EFTs”) of government benefits, and lessors.⁹ The burden estimates represent FTC staff’s best assessment, based on its knowledge and expertise relating to the financial services

⁹ The Commission generally does not have jurisdiction over banks, thrifts, and federal credit unions under the applicable regulations.

industry, of the average time to complete the aforementioned tasks associated with recordkeeping and disclosure. Staff considered the wide variations in covered entities' (1) size and location; (2) credit or lease products offered, extended, or advertised, and their particular terms; (3) EFT types used; (4) types and frequency of adverse actions taken; (5) types of appraisal reports utilized; and (6) computer systems and electronic features of compliance operations.

The cost estimates that follow relate solely to labor costs, and they include the time necessary to train employees how to comply with the regulations. Staff calculated labor costs by multiplying appropriate hourly wages by the burden hours described above. The hourly wages used were \$56 for managerial oversight, \$42 for skilled technical services, and \$17 for clerical work. These figures are averages drawn from Bureau of Labor Statistics data.¹⁰ Further, the FTC cost estimates assume the following labor category apportionments, except where otherwise indicated below: recordkeeping – 10% skilled technical, 90% clerical; disclosure – 10% managerial, 90% skilled technical.

The applicable PRA requirements impose minimal capital or other non-labor costs. Affected entities generally already have the necessary equipment for other business purposes. Similarly, FTC staff estimates that compliance with these rules entails minimal printing and copying costs beyond that associated with documenting financial transactions in the normal course of business.

The following discussion and tables present FTC estimates under the PRA of recordkeeping and disclosure average time and labor costs, excluding that which the FTC

¹⁰ These inputs are based broadly on mean hourly data found within the "Bureau of Labor Statistics, Economic News Release," March 31, 2017, Table 1, "National employment and wage data from the Occupational Employment Statistics survey by occupation, May 2016." <http://www.bls.gov/news.release/ocwage.t01.htm>.

believes entities incur customarily in the normal course of business¹¹ and information compiled and produced in response to FTC law enforcement investigations or prosecutions.¹²

1. Regulation B

The ECOA prohibits discrimination in the extension of credit. Regulation B implements the ECOA, establishing disclosure requirements to assist customers in understanding their rights under the ECOA and recordkeeping requirements to assist agencies in enforcement. Regulation B applies to retailers, mortgage lenders, mortgage brokers, finance companies, and others.

Recordkeeping

FTC staff estimates that Regulation B's general recordkeeping requirements affect 530,762 credit firms subject to the Commission's jurisdiction, at an average annual burden of 1.25 hours per firm for a total of 663,453 hours.¹³ Staff also estimates that the requirement that mortgage creditors monitor information about race/national origin, sex, age, and marital status imposes a maximum burden of one minute each (of skilled technical time) for approximately 2.6 million credit applications (based on industry data regarding the approximate number of mortgage purchase and refinance originations), for a total of 43,333 hours.¹⁴ Staff also estimates that recordkeeping of self-testing subject to the regulation would affect 1,500 firms, with an average annual burden of one hour (of skilled technical time) per firm, for a total of 1,500 hours,

¹¹ See *supra* note 7 and accompanying text.

¹² See 5 CFR 1320.4(a) (excluding information collected in response to, among other things, a federal civil action or "during the conduct of an administrative action, investigation, or audit involving an agency against specific individuals or entities").

¹³ Section 1071 of the Dodd-Frank Act amended the ECOA to require financial institutions to collect and report information concerning credit applications by women- or minority-owned businesses and small businesses, effective on the July 21, 2011 transfer date. Both the BCFP and the Board have exempted affected entities from complying with this requirement until a date set by the prospective final rules these agencies issue to implement it. The Commission will address PRA burden for its enforcement of the requirement after the BCFP and the Board have issued the associated final rules.

¹⁴ Regulation B contains model forms that creditors may use to gather and retain the required information.

and that recordkeeping of any corrective action as a result of self-testing would affect 10% of them, i.e., 150 firms, with an average annual burden of four hours (of skilled technical time) per firm, for a total of 600 hours.¹⁵ Keeping associated records of race/national origin, sex, age, and marital status requires an estimated one minute of skilled technical time.

Disclosure

Regulation B requires that creditors (i.e., entities that regularly participate in the decision whether to extend credit under Regulation B) provide notices whenever they take adverse action, such as denial of a credit application. It requires entities that extend mortgage credit with first liens to provide a copy of the appraisal report or other written valuation to applicants.¹⁶

Regulation B also requires that for accounts that spouses may use or for which they are contractually liable, creditors who report credit history must do so in a manner reflecting both spouses' participation. Further, it requires creditors that collect applicant characteristics for purposes of conducting a self-test to disclose to those applicants that: (1) providing the information is optional; (2) the creditor will not take the information into account in any aspect of the credit transactions; and (3) if applicable, the information will be noted by visual observation or surname if the applicant chooses not to provide it.¹⁷

Burden Totals

Recordkeeping: **708,886 hours** (631,281 + 77,605 carve-out);

¹⁵ In contrast to banks, for example, entities under FTC jurisdiction are not subject to audits by the FTC for compliance with Regulation B; rather they may be subject to FTC investigations and enforcement actions. This may impact the level of self-testing (as specifically defined by Regulation B) in a given year, and staff has sought to address such factors in its burden estimates.

¹⁶ While the rule also requires the creditor to provide a short written disclosure regarding the appraisal process, the disclosure is provided by the BCFP, and is thus not a "collection of information" for PRA purposes. See 5 CFR 1320.3(c)(2). Accordingly, it is not included in burden estimates below.

¹⁷ The disclosure may be provided orally or in writing. The model form provided by Regulation B assists creditors in providing the written disclosure, which helps to reduce burden.

\$14,845,512 (\$13,316,477 + \$1,529,035 carve-out), **associated labor costs**

Disclosures: **1,088,912 hours** (961,224 + 127,688 carve-out); **\$47,258,792** (\$41,717,144

+ \$5,541,648 carve-out), **associated labor costs**

Regulation B: Disclosures – Burden Hours

Disclosures	Respondents	Setup/Monitoring ¹		Number of Transactions	Transaction-related ²		
		Average Burden per Respondent (hours)	Total Setup/Monitoring Burden (hours)		Average Burden per Transaction (minutes)	Total Transaction Burden (hours)	Total Burden (hours)
Credit history reporting	133,553	.25	33,388	60,098,850	.25	250,412	283,800
Adverse action notices	530,762	.75	398,072	92,883,350	.25	387,014	785,086
Appraisal reports/written valuations	4,650	1	4,650	1,725,150	.50	14,376	19,026
Self-test disclosures	1,500	.5	750	60,000	.25	250	1,000
Total							1,088,912

¹ The estimates assume that all applicable entities would be affected, with respect to appraisal reports and other written valuations. Given market changes, the estimated number of these entities is decreased slightly while the estimated number of entities affected by credit history, adverse action and self-test burden is increased slightly from the most recently cleared FTC burden estimates.

² Applicable transactions have increased for appraisal reports; however, credit history, adverse action and self-test transactions have decreased, based on market changes.

Regulation B: Recordkeeping and Disclosures – Cost

Required Task	-----Managerial-----		-----Skilled Technical-----		-----Clerical-----		Total Cost (\$)
	Time (hours)	Cost (\$56/hr.)	Time (hours)	Cost (\$42/hr.)	Time (hours)	Cost (\$17/hr.)	
General recordkeeping	0	\$0	66,345	\$2,786,490	597,108	\$10,150,836	\$12,937,326
Other recordkeeping	0	\$0	43,333	\$1,819,986	0	\$0	\$1,819,986
Recordkeeping of self-test	0	\$0	1,500	\$63,000	0	\$0	\$63,000
Recordkeeping of corrective action	0	\$0	600	\$25,200	0	\$0	\$25,200
Total Recordkeeping							\$14,845,512
Disclosures:							
Credit history reporting	28,380	\$1,589,280	255,420	\$10,727,640	0	\$0	\$12,316,920
Adverse action notices	78,509	\$4,396,504	706,577	\$29,676,234	0	\$0	\$34,072,738
Appraisal reports	1,903	\$106,568	17,123	\$719,166	0	\$0	\$825,734
Self-test disclosure	100	\$5,600	900	\$37,800	0	\$0	\$43,400
Total Disclosures							\$47,258,792
Total Recordkeeping and Disclosures							\$62,104,304

2. Regulation E

The EFTA requires that covered entities provide consumers with accurate disclosure of the costs, terms, and rights relating to EFT and certain other services. Regulation E implements the EFTA, establishing disclosure and other requirements to aid consumers and recordkeeping

requirements to assist agencies with enforcement. It applies to financial institutions, retailers, gift card issuers and others that provide gift cards, service providers, various federal and state agencies offering EFTs, prepaid account entities, etc. Staff estimates that Regulation E’s recordkeeping requirements affect 251,053 firms offering EFT and certain other services to consumers and that are subject to the Commission’s jurisdiction, at an average annual burden of one hour per firm, for a total of 251,053 hours. This represents a decrease from prior figures, reflecting a decrease in entities under FTC jurisdiction engaged in applicable activities.

Burden Totals

Recordkeeping: **251,053 hours** (233,947 + 17,106 carve-out);

\$4,895,526 (\$4,561,949 + \$333,577 carve-out), **associated labor costs**

Disclosures: **7,184,905 hours** (7,165,931 + 18,974 carve-out);

\$311,824,884 (\$310,999,818 + \$825,066 carve-out), **associated labor costs**

Regulation E: Disclosures – Burden Hours

Disclosures ¹	----- Setup/Monitoring -----			----- Transaction-related-----			
	Respondents	Average Burden per Respondent (hours)	Total Setup/Monitoring Burden (hours)	Number of Transactions	Average Burden per Transaction (minutes)	Total Transaction Burden (hours)	Total Burden (hours)
Initial terms	27,300	.5	13,650	273,000	.02	91	13,741
Change in terms	8,550	.5	4,275	11,286,000	.02	3,762	8,037
Periodic statements	27,300	.5	13,650	327,600,000	.02	109,200	122,850
Error resolution	27,300	.5	13,650	273,000	5	22,750	36,400
Transaction receipts	27,300	.5	13,650	1,375,000,000	.02	458,333	471,983
Preauthorized transfers ²	258,553	.5	129,277	6,463,825	.25	26,933	156,210
Service provider notices	20,000	.25	5,000	200,000	.25	833	5,833
ATM notices	125	.25	31	25,000,000	.25	104,167	104,198
Electronic check conversion ³	48,553	.5	24,277	728,295	.02	243	24,520
Overdraft services	15,000	.5	7,500	1,500,000	.02	500	8,000
Gift cards	15,000	.5	7,500	750,000,000	.02	250,000	257,500
Remittance transfers							
Disclosures	4,800	1.25	6,000	96,000,000	.9	1,440,000	1,446,000
Error resolution	4,800	1.25	6,000	120,960,000	.9	1,814,400	1,820,400
Agent compliance	4,800	1.25	6,000	96,000,000	.9	1,440,000	1,446,000
Prepaid accounts and gov’t benefits ⁴							
Disclosures	550	40x10 ⁵	220,000	2,750,000,000	.02	916,667	1,136,667
Disclosures - updates	138	1x10	1,380 ⁶	N/A			1,380
Access to account information	550	20x10 ⁷	110,000	1,100,000	.01	183	110,183
Error resolution	300	4x4	4,800	275,000	2	9,167	13,967
Error resolution – followup ⁸		N/A		1,380	30	690	690
Submission of agreements	138	2x1	276	690	1	12	288

Updates to agreements ⁹	N/A	690	5	58	58
Total					7,184,905

¹ Except as noted below, most respondent tallies in this table have decreased due to business shifts and other market changes that result in fewer entities under FTC jurisdiction. Accordingly, related transactions under FTC jurisdiction have also decreased.

² Preauthorized transfers rules apply to “persons” and entities. The number of respondents and transactions by such persons have increased, as these preauthorized transfers are used more commonly than previously.

³ The total number of electronic check conversion respondents and transactions has decreased, particularly due to declining check usage.

⁴ Prepaid accounts are now covered by Regulation E (and payroll cards are included in this area). Government benefit notices are included also in this area, although some separate requirements for government benefits remain; these factors are accounted for in the estimates. The number of government benefit entities also have declined given business shifts that have reduced the number of entities under FTC jurisdiction (and prepaid entities under FTC jurisdiction are also few in number).

⁵ Burden hours are on a per program basis. Individual burden hours are listed first, followed by the number of programs.

⁶ This reflects prepaid accounts’ updates of additional fee type disclosures. Individual burden hours are listed first, followed by the number of programs.

⁷ Burden hours are on a per program basis; individual burden hours are listed first, followed by the number of programs.

⁸ This pertains to prepaid accounts.

⁹ This pertains to prepaid accounts’ agreements.

Regulation E: Recordkeeping and Disclosures – Cost

Required Task	-----Managerial-----		-----Skilled Technical-----		-----Clerical-----		Total Cost (\$)
	Time (hours)	Cost (\$56/hr.)	Time (hours)	Cost (\$42/hr.)	Time (hours)	Cost (\$17/hr.)	
Recordkeeping	0	\$0	25,105	\$1,054,410	225,948	\$3,841,116	\$4,895,526
Disclosures:							
Initial terms	1,374	\$76,944	12,367	\$519,414	0	\$0	\$596,358
Change in terms	804	\$45,024	7,233	\$303,786	0	\$0	\$348,810
Periodic statements	12,285	\$687,960	110,565	\$4,643,730	0	\$0	\$5,331,690
Error resolution	3,640	\$203,840	32,760	\$1,375,920	0	\$0	\$1,579,760
Transaction receipts	47,198	\$2,643,088	424,785	\$17,840,970	0	\$0	\$20,484,058
Preauthorized transfers	15,621	\$874,776	140,589	\$5,904,738	0	\$0	\$6,779,514
Service provider notices	583	\$32,648	5,250	\$220,500	0	\$0	\$253,148
ATM notices	10,420	\$583,520	93,778	\$3,938,676	0	\$0	\$4,522,196
Electronic check conversion	2,452	\$137,312	22,068	\$926,856	0	\$0	\$1,064,168
Overdraft services	800	\$44,800	7,200	\$302,400	0	\$0	\$347,200
Gift cards	25,750	\$1,442,000	231,750	\$9,733,500	0	\$0	\$11,175,500
Remittance transfers							
Disclosures	144,600	\$8,097,600	1,301,400	\$54,658,800	0	\$0	\$62,756,400
Error resolution	182,040	\$10,194,240	1,638,360	\$68,811,120	0	\$0	\$79,005,360
Agent compliance	144,600	\$8,097,600	1,301,400	\$54,658,800	0	\$0	\$62,756,400
Prepaid accounts and gov’t. benefits							
Disclosures	113,667	\$6,365,352	1,023,000	\$42,966,000	0	\$0	\$49,331,352
Disclosures - updates	138	\$7,728	1,242	\$52,164	0	\$0	\$59,892
Access to account information	11,018	\$617,008	99,165	\$4,164,930	0	\$0	\$4,781,938
Error resolution	1,397	\$78,232	12,570	\$527,940	0	\$0	\$606,172
Error resolution – followup	69	\$3,864	621	\$26,082	0	\$0	\$29,946
Submission of agreements	29	\$1,624	259	\$10,878	0	\$0	\$12,502
Updates to agreements	6	\$336	52	\$2,184	0	\$0	\$2,520
Total Disclosures							\$311,824,884
Total Recordkeeping and Disclosures							\$316,720,410

3. Regulation M

The CLA requires that covered entities provide consumers with accurate disclosure of the costs and terms of leases. Regulation M implements the CLA, establishing disclosure

requirements to help consumers comparison shop and understand the terms of leases and recordkeeping requirements. It applies to vehicle lessors (such as auto dealers, independent leasing companies, and manufacturers' captive finance companies), computer lessors (such as computer dealers and other retailers), furniture lessors, various electronic commerce lessors, diverse types of lease advertisers, and others.

Staff estimates that Regulation M's recordkeeping requirements affect approximately 30,203 firms within the FTC's jurisdiction leasing products to consumers at an average annual burden of one hour per firm, for a total of 30,203 hours.

Burden Totals¹⁸

Recordkeeping: **30,203 hours** (3,513 + 26,690 carve-out);

\$1,649,088 (\$191,814 + \$1,457,274 carve-out), **associated labor costs**

Disclosures: **71,750 hours** (2,094 + 69,656 carve-out);

\$3,917,550 (\$114,394 + \$3,803,156 carve-out), **associated labor costs**

Regulation M: Disclosures – Burden Hours

Disclosures	Respondents	Setup/Monitoring		Number of Transactions	Transaction-related		
		Average Burden per Respondent (hours)	Total Setup/Monitoring Burden (hours)		Average Burden per Transaction (minutes)	Total Transaction Burden (hours)	Total Burden (hours)
Motor Vehicle Leases ¹	26,690	1	26,690	4,000,000	.50	33,333	60,023
Other Leases ²	3,513	.50	1,757	60,000	.25	250	2,007
Advertising ³	14,615	.50	7,308	578,960	.25	2,412	9,720
Total							71,750

¹ This category focuses on consumer vehicle leases. Vehicle leases are subject to more lease disclosure requirements (pertaining to computation of payment obligations) than other lease transactions. (Only consumer leases for more than four months are covered.) See 15 U.S.C. § 1667(1);

¹⁸ Recordkeeping and disclosure burden estimates for Regulation M are more substantial for motor vehicle leases than for other leases, including burden estimates based on market changes and regulatory definitions of coverage. Based on industry information, the estimates for recordkeeping and disclosure costs assume the following: 90% managerial, and 10% skilled technical. As noted above, for purposes of PRA burden calculations for Regulations B, E, M, and Z, and given the different types of motor vehicle dealers, the FTC is including in its estimates burden for all of them.

12 CFR § 1013.2(e)(1). While the number of respondents for vehicle leases has decreased with market changes, the number of vehicle lease transactions has remained about the same, compared to past FTC estimates. Leases up to \$55,800 plus an annual adjustment are now covered. The resulting total burden has decreased.

² This category focuses on all types of consumer leases other than vehicle leases. It includes leases for computers, other electronics, small appliances, furniture, and other transactions. (Only consumer leases for more than four months are covered.) See 15 U.S.C. § 1667(1); 12 CFR § 1013.2(e)(1). The number of respondents has decreased, based on market changes in companies and types of transactions they offer; the number of such transactions has also declined, based on types of transactions offered that are covered by the CLA. Leases up to \$55,800 plus an annual adjustment are now covered. The resulting total burden has decreased.

³ Respondents for advertising have decreased as have lease advertisements, based on market changes, from past FTC estimates. The resulting total burden has decreased.

Regulation M: Recordkeeping and Disclosures – Cost

Required Task	-----Managerial-----		-----Skilled Technical-----		-----Clerical-----		Total
	Time (hours)	Cost (\$56/hr.)	Time (hours)	Cost (\$42/hr.)	Time (hours)	Cost (\$17/hr.)	Cost (\$)
Recordkeeping	27,183	\$1,522,248	3,020	\$126,840	0	0	\$1,649,088
Disclosures:							
Motor Vehicle Leases	54,021	\$3,025,176	6,002	\$252,084	0	0	\$3,277,260
Other Leases	1,806	\$101,136	201	\$8,442	0	0	\$109,578
Advertising	8,748	\$489,888	972	\$40,824	0	0	\$530,712
Total Disclosures							\$3,917,550
Total Recordkeeping and Disclosures							\$5,566,638

4. Regulation Z

The TILA was enacted to foster comparison credit shopping and informed credit decision making by requiring creditors and others to provide accurate disclosures regarding the costs and terms of credit to consumers.¹⁹ Regulation Z implements the TILA, establishing disclosure requirements to assist consumers and recordkeeping requirements to assist agencies with enforcement. These requirements pertain to open-end and closed-end credit and apply to various types of entities, including mortgage companies; finance companies; auto dealerships; private education loan companies; merchants who extend credit for goods or services; credit advertisers; acquirers of mortgages; and others. Additional requirements also exist in the mortgage area,

¹⁹ On May 24, 2018, President Trump signed the Economic Growth, Regulatory Relief, and Consumer Protection Act (Act), Pub. L. No. 115-174. Among other things, the Act amends the TILA in several respects, and will be implemented by the BCFP through amendments to Regulation Z. The Commission will address PRA burden for its enforcement of the requirements after the BCFP has issued the associated final rules.

including for high cost mortgages, higher-priced mortgage loans,²⁰ ability to pay of mortgage consumers, mortgage servicing, loan originators, and certain integrated mortgage disclosures.

FTC staff estimates that Regulation Z’s recordkeeping requirements affect approximately 430,762 entities subject to the Commission’s jurisdiction, at an average annual burden of 1.25 hours per entity with .25 additional hours per entity for 3,650 entities (ability to pay), and 5 additional hours per entity for 4,500 entities (loan originators).

Burden Totals

Recordkeeping: **561,866 hours** (484,961 + 76,905 carve-out);

\$10,956,397 (\$9,456,749 + \$1,499,648 carve-out), **associated labor costs**

Disclosures: **7,854,575 hours** (6,838,256 + 1,016,319 carve-out);

\$318,601,732 (\$274,493,500 + \$44,108,232 carve-out), **associated labor costs**

Regulation Z: Disclosures – Burden Hours

Disclosures ¹	Respondents	Setup/Monitoring		Number of Transactions	Transaction-related		
		Average Burden per Respondent (hours)	Total Setup/Monitoring Burden (hours)		Average Burden per Transaction (minutes)	Total Transaction Burden (hours)	Total Burden (hours)
Open-end credit:							
Initial terms	23,650	.75	17,738	10,500,600	.375	65,629	83,367
Initial terms – prepaid accounts	3	4x1 ²	12	3x78,667 ³	.125	492	504
Rescission notices	750	.5	375	3,750	.25	16	391
Subsequent disclosures	4,650	.75	3,488	23,250,000	.188	72,850	76,338
Subsequent disclosures – prepaid accounts	3	4x1 ⁴	12	3x78,667 ⁵	.0625	246	258
Periodic statements	23,650	.75	17,738	788,325,450	.0938	1,232,415	1,250,153
Periodic statements – prepaid accounts	3	40x1 ⁶	120	3x944,000 ⁷	.03125	1,475	1,595
Error resolution	23,650	.75	17,738	2,104,850	6	210,485	228,223
Error resolution – prepaid accounts followup	3	4x1 ⁸	12	3x1,180 ⁹	15	885	897
Credit and charge card accounts	10,250	.75	7,688	5,125,000	.375	32,031	39,719
Credit and charge card accounts – prepaid accounts	3	4x1 ¹⁰	12	3x12 ¹¹	240	144	156
Settlement of estate debts	23,650	.75	17,738	496,650	.375	3,104	20,842
Special credit card requirements	10,250	.75	7,688	5,125,000	.375	32,031	39,719
Home equity lines of credit	750	.5	375	5,250	.25	22	397

²⁰ While Regulation Z also requires the creditor to provide a short written disclosure regarding the appraisal process for higher-priced mortgage loans, the disclosure is provided by the BCFP. As a result, it is not a “collection of information” for PRA purposes (see 5 CFR 1320.3(c)(2)). It is thus excluded from the burden estimates below.

Home equity lines of credit high-cost mortgages	250	2	500	1,500	2	50	550
College student credit card marketing – ed. institutions	1,350	.5	675	81,000	.25	338	1,013
College student credit card marketing – card issuer reports	150	.75	113	4,500	.75	56	169
Posting and reporting of credit card agreements	10,250	.75	7,688	5,125,000	.375	32,031	39,719
Posting and reporting of prepaid account agreements	3	.75x1 ¹²	2	3x5 ¹³	2.5	1	3
Advertising	38,650	.75	28,988	115,950	.75	1,449	30,437
Advertising – prepaid accounts	3	20x1 ¹⁴	60	N/A			60
Advertising – prepaid accounts Updates	3	0.2 x 5 ¹⁵	3	N/A			3
Sale, transfer, or assignment of mortgages	500	.5	250	500,000	.25	2,083	2,333
Appraiser misconduct reporting	301,150	.75	225,863	6,023,000	.375	37,644	263,507
Mortgage servicing ¹⁶	1,500	.75	1,125	150,000	.5	1,250	2,375
Loan originators	2,250	2	4,500	22,500	5	1,875	6,375
Closed-end credit:							
Credit disclosures	280,762	.75	210,572	112,304,800	2.25	4,211,430	4,422,002
Rescission notices	3,650	.5	1,825	5,475,000	1	91,250	93,075
Redisclosures	101,150	.5	50,575	505,750	2.25	18,966	69,541
Integrated mortgage disclosures	3,650	10	36,500	10,950,000	3.5	638,750	675,250
Variable rate mortgages	3,650	1	3,650	365,000	1.75	10,646	14,296
High cost mortgages	1,750	1	1,750	43,750	2	1,458	3,208
Higher priced mortgages	1,750	1	1,750	14,000	2	467	2,217
Reverse mortgages	3,025	.5	1,513	15,125	1	252	1,765
Advertising	205,762	.5	102,881	2,057,620	1	34,294	137,175
Private education loans	75	.5	38	30,000	1.5	750	788
Sale, transfer, or assignment of mortgages	48,850	.5	24,425	2,442,500	.25	10,177	34,602
Ability to pay/qualified mortgage	3,650	.75	2,738	0	0	0	2,738
Appraiser misconduct reporting	301,150	.75	225,863	6,023,000	.375	37,644	263,507
Mortgage servicing ¹⁷	3,650	1.5	5,475	730,000	2.75	33,458	38,933
Loan originators	2,250	2	4,500	22,500	5	1,875	6,375
Total open-end credit							2,089,103
Total closed-end credit							5,765,472
Total credit							7,854,575

¹ Regulation Z requires disclosures for closed-end and open-end credit. TILA and Regulation Z now cover credit up to \$55,800 plus an annual adjustment (except that real estate credit and private education loans are covered regardless of amount). For most disclosure types listed in this table, FTC staff has reduced prior PRA burden estimates due to business shifts and other market changes. In the case of mortgage servicing (open- and closed-credit), however, staff has increased burden estimates per respondent due to amendments to Regulation Z. In addition, due to Regulation Z's new requirements for prepaid accounts with certain credit aspects, staff has added burden estimates for these items. However, the overall effect of these competing factors yields a net decrease from the FTC's prior reported estimate for open-end credit and for closed-end credit.

² Burden hours are on a per program basis. Individual burden hours are listed first, followed by the number of programs.

³ This figure lists the number of entities followed by the number of responses or programs each.

⁴ Burden hours are on a per program basis. Individual burden hours are listed first, followed by the number of programs.

⁵ This figure lists the number of entities followed by the number of responses or programs each.

⁶ Burden hours are on a per program basis. Individual burden hours are listed first, followed by the number of programs.

⁷ This figure lists the number of entities followed by the number of responses or programs each.

⁸ Burden hours are on a per program basis. Individual burden hours are listed first, followed by the number of programs.

⁹ This figure lists the number of entities followed by the number of responses or programs each.

¹⁰ Burden hours are on a per program basis. Individual burden hours are listed first, followed by the number of programs.

¹¹ This figure lists the number of entities followed by the number of responses or programs each.

¹² Burden hours are on a per program basis. Individual burden hours are listed first, followed by the number of programs.

¹³ This figure lists the number of entities followed by the number of responses or programs each.

¹⁴ Burden hours are on a per program basis. Individual burden hours are listed first, followed by the number of programs.

¹⁵ Burden hours are on a per program basis. Individual burden hours are listed first, followed by the number of programs.

¹⁶ Regulation Z has expanded various mortgage servicing requirements for successors-in-interest, which in some instances can affect open-end credit, increasing burden per respondent. However, the estimated number of entities and transactions under FTC jurisdiction is reduced, thereby reducing aggregate estimated burden compared to prior FTC estimates.

¹⁷ Regulation Z has expanded various mortgage servicing requirements for successors-in-interest, and periodic statement requirements including for consumers in bankruptcy, among other things, affecting closed-end credit, increasing burden per respondent. However, the estimated number of entities and transactions under FTC jurisdiction is reduced, thereby reducing aggregate estimated burden compared to prior FTC estimates.

Regulation Z: Recordkeeping and Disclosures – Cost

Required Task	-----Managerial-----		-----Skilled Technical-----		-----Clerical-----		Total Cost (\$)
	Time (hours)	Cost (\$56/hr.)	Time (hours)	Cost (\$42/hr.)	Time (hours)	Cost (\$17/hr.)	
Recordkeeping	0	\$0	56,187	\$2,359,854	505,679	\$8,596,543	\$10,956,397
Open-end credit Disclosures:							
Initial terms	8,337	\$466,872	75,030	\$3,151,260	0	\$0	\$3,618,132
Initial terms – prepaid accounts	50	\$2,800	454	\$19,068	0	\$0	\$21,868
Rescission notices	39	\$2,184	352	\$14,784	0	\$0	\$16,968
Subsequent disclosures	7,634	\$427,504	68,704	\$2,885,568	0	\$0	\$3,313,072
Subsequent disclosures –							
prepaid accounts	26	\$1,456	232	\$9,744	0	\$0	\$11,200
Periodic statements	125,015	\$7,000,840	1,125,138	\$47,255,796	0	\$0	\$54,256,636
Periodic statements –							
prepaid accounts	159	\$8,904	1436	\$60,312	0	\$0	\$69,216
Error resolution	22,822	\$1,278,032	205,401	\$8,626,842	0	\$0	\$9,904,874
Error resolution –							
prepaid accounts followup	90	\$5,040	807	\$33,894	0	\$0	\$38,934
Credit and charge card accounts	3,972	\$222,432	35,747	\$1,501,374	0	\$0	\$1,723,806
Credit and charge card accounts -							
prepaid accounts	16	\$896	140	\$5,880	0	\$0	\$6,776
Settlement of estate debts	2,084	\$116,704	18,758	\$787,836	0	\$0	\$904,540
Special credit card requirements	3,972	\$222,432	35,747	\$1,501,374	0	\$0	\$1,723,806
Home equity lines of credit	40	\$2,240	357	\$14,994	0	\$0	\$17,234
Home equity lines of credit –high cost mortgages	55	\$3,080	495	\$20,790	0	\$0	\$23,870
College student credit card marketing – ed institutions	101	\$5,656	912	\$38,304	0	\$0	\$43,960
College student credit card marketing – card issuer reports	17	\$952	152	\$6,384	0	\$0	\$7,336
Posting and reporting of credit card agreements	3,972	\$222,432	35,747	\$1,501,374	0	\$0	\$1,723,806
Posting and reporting of prepaid accounts	1	\$56	2	\$84	0	\$0	\$140
Advertising	3,044	\$170,464	27,393	\$1,150,506	0	\$0	\$1,320,970
Advertising – prepaid accounts	6	\$336	54	\$2,268	0	\$0	\$2,604
Advertising – prepaid accounts Updates	1	\$56	2	\$84	0	\$0	\$140
Sale, transfer, or assignment of mortgages	233	\$13,048	2,100	\$88,200	0	\$0	\$101,248
Appraiser misconduct reporting	26,351	\$1,475,656	237,156	\$9,960,552	0	\$0	\$11,436,208
Mortgage servicing	238	\$13,328	2,137	\$89,754	0	\$0	\$103,082
Loan originators	638	\$35,728	5,737	\$240,954	0	\$0	\$276,682
Total open-end credit							\$90,667,108
Closed-end credit Disclosures:							
Credit disclosures	442,200	\$2,476,300	3,979,802	\$167,151,684	0	\$0	\$169,627,984
Rescission notices	9,308	\$521,248	83,767	\$3,518,214	0	\$0	\$4,039,462
Redisclosures	6,954	\$389,424	62,587	\$2,628,654	0	\$0	\$3,018,078
Integrated mortgage disclosures	67,525	\$3,781,400	607,725	\$25,524,450	0	\$0	\$29,305,850
Variable rate mortgages	1,430	\$80,080	12,866	\$540,372	0	\$0	\$620,452
High cost mortgages	321	\$17,976	2,887	\$121,254	0	\$0	\$139,230
Higher priced mortgages	222	\$12,432	1,995	\$83,790	0	\$0	\$96,222
Reverse mortgages	177	\$9,912	1,588	\$66,696	0	\$0	\$76,608
Advertising	13,718	\$768,208	123,457	\$5,185,194	0	\$0	\$5,953,402
Private education loans	79	\$4,424	709	\$29,778	0	\$0	\$34,202
Sale, transfer, or assignment of mortgages	3,460	\$193,760	31,142	\$1,307,964	0	\$0	\$1,501,724
Ability to pay/qualified mortgage	274	\$15,344	2,464	\$103,488	0	\$0	\$118,832
Appraiser misconduct reporting	26,351	\$1,475,656	237,156	\$9,960,552	0	\$0	\$11,436,208
Mortgage servicing	3,893	\$218,008	35,040	\$1,471,680	0	\$0	\$1,689,688
Loan originators	638	\$35,728	5,737	\$240,954	0	\$0	\$276,682

Total closed-end credit	\$227,934,624
Total Disclosures	\$318,601,732
Total Recordkeeping and Disclosures	\$329,558,129

Request for Comment:

You can file a comment online or on paper. For the FTC to consider your comment, we must receive it on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]. Write “Regs BEMZ, PRA Comments, P084812” on your comment. Your comment – including your name and your state – will be placed on the public record of this proceeding, including, to the extent practicable, on the public FTC Website, at <http://www.ftc.gov/os/publiccomments.shtm>.

Postal mail addressed to the Commission is subject to delay due to heightened security screening. As a result, we encourage you to submit your comments online, or to send them to the Commission by courier or overnight service. To make sure that the Commission considers your online comment, you must file it at <https://ftcpublic.commentworks.com/ftc/RegsBEMZpra2> by following the instructions on the web-based form. When this Notice appears at <http://www.regulations.gov/#!home>, you also may file a comment through that website.

If you file your comment on paper, write “Regs BEMZ, PRA Comments, P084812” on your comment and on the envelope, and mail it to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue, NW, Suite CC-5610 (Annex J), Washington, DC 20580, or deliver your comment to the following address: Federal Trade Commission, Office of the Secretary, Constitution Center, 400 7th Street, SW, 5th Floor, Suite 5610 (Annex J), Washington, DC 20024. If possible, submit your paper comment to the

Commission by courier or overnight service.

Because your comment will be placed on the publicly accessible FTC Website at <https://www.ftc.gov/>, you are solely responsible for making sure that your comment does not include any sensitive or confidential information. In particular, your comment should not include any sensitive personal information, such as your or anyone else's Social Security number; date of birth; driver's license number or other state identification number, or foreign country equivalent; passport number; financial account number; or credit or debit card number. You are also solely responsible for making sure that your comment does not include any sensitive health information, such as medical records or other individually identifiable health information. In addition, your comment should not include any "trade secret or any commercial or financial information which . . . is privileged or confidential" – as provided by Section 6(f) of the FTC Act, 15 U.S.C. 46(f), and FTC Rule 4.10(a)(2), 16 CFR 4.10(a)(2) – including in particular competitively sensitive information such as costs, sales statistics, inventories, formulas, patterns, devices, manufacturing processes, or customer names.

Comments containing material for which confidential treatment is requested must be filed in paper form, must be clearly labeled "Confidential," and must comply with FTC Rule 4.9(c). In particular, the written request for confidential treatment that accompanies the comment must include the factual and legal basis for the request, and must identify the specific portions of the comment to be withheld from the public record. *See* FTC Rule 4.9(c). Your comment will be kept confidential only if the General Counsel grants your request in accordance with the law and the public interest. Once your comment has been posted on the public FTC Website – as legally required by FTC Rule 4.9(b) – we cannot redact or remove your comment from the FTC Website, unless you submit a confidentiality request that meets the requirements for such

treatment under FTC Rule 4.9(c), and the General Counsel grants that request.

The FTC Act and other laws that the Commission administers permit the collection of public comments to consider and use in this proceeding as appropriate. The Commission will consider all timely and responsive public comments that it receives on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]. For information on the Commission's privacy policy, including routine uses permitted by the Privacy Act, see <https://www.ftc.gov/site-information/privacy-policy>. For supporting documentation and other information underlying the PRA discussion in this Notice, see <http://www.reginfo.gov/public/jsp/PRA/prDashboard.jsp>.

Comments on the information collection requirements subject to review under the PRA should additionally be submitted to OMB. If sent by U.S. mail, they should be addressed to Office of Information and Regulatory Affairs, Office of Management and Budget, Attention: Desk Officer for the Federal Trade Commission, New Executive Office Building, Docket Library, Room 10102, 725 17th Street, NW, Washington, DC 20503. Comments sent to OMB by U.S. postal mail, however, are subject to delays due to heightened security precautions. Thus, comments instead can also be sent by email to wliberante@omb.eop.gov.

Heather Hipsley,
Acting Principal Deputy General Counsel.
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