



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 Registration of Mortgage Loan Originators (CFPB G; OMB No. 7100-0328).

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

ADDRESSES: You may submit comments, identified by CFPB G, by any of the following methods:

- Agency Website: <https://www.federalreserve.gov/>. Follow the instructions for submitting comments at <https://www.federalreserve.gov/apps/foia/proposedregs.aspx>.
- E-mail: regs.comments@federalreserve.gov. Include the 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, 20th Street and Constitution Avenue, NW, Washington, DC 20551.

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

<https://www.federalreserve.gov/apps/foia/proposedregs.aspx> as submitted, unless modified for technical reasons or to remove personally identifiable information at the commenter's request.

Accordingly, comments will not be edited to remove any identifying or contact information.

Public comments may also be viewed electronically or in paper in Room 146, 1709 New York

Avenue, 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 Office of Management and Budget (OMB) Desk Officer – Shagufta Ahmed – Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, 725 17th Street, NW, Washington, DC 20503, or by fax to (202) 395-6974.

FOR FURTHER INFORMATION CONTACT: A copy of the Paperwork Reduction Act (PRA) OMB submission, including the reporting form and instructions, supporting statement, and other documentation will be placed into OMB’s public docket files, if approved. These documents will also be made available on the Board’s public website at <https://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.

SUPPLEMENTARY INFORMATION: On June 15, 1984, OMB delegated to the Board authority under the PRA to approve and assign OMB control numbers to collections of information 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 Board's functions, including whether the information has practical utility;
- b. The accuracy of the Board'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 Board should modify the proposal.

Proposal under OMB Delegated Authority to Extend for Three Years, Without Revision, the Following Information Collection:

Report title: Registration of Mortgage Loan Originators.

Agency form number: CFPB G.

OMB control number: 7100-0328.

Frequency: Annually.

Respondents: State member banks (SMBs) with \$10 billion or less in total assets that are not affiliates of insured depository institutions with total assets of more than \$10 billion; subsidiaries

of such SMBs that are not functionally regulated within the meaning of section 5(c)(5) of the Bank Holding Company Act; branches and agencies of foreign banks (other than federal branches, federal agencies, and insured state branches of foreign banks); and commercial lending companies owned or controlled by foreign banks (collectively, “banking organizations”), as well as employees of banking organizations who act as residential mortgage loan originators (MLOs).

Estimated number of respondents: MLO’s (new) - initial set up, 396 respondents; MLO’s (new) - disclosure, 396 respondents; MLO’s (existing) – updates for changes, 11,422 respondents; MLO’s (existing) – maintenance and disclosures, 22,844 respondents; Banking organizations, 674 respondents.

Estimated average hours per response: MLO’s (new) - initial set up, 2.5 hours; MLO’s (new) - disclosure, 1 hour; MLO’s (existing) – updates for changes, 0.25 hour; MLO’s (existing) – maintenance and disclosures, 0.85 hour; Depository Institutions and subsidiaries, 118 hours.

Estimated annual burden hours: MLO’s (new) - initial set up, 990 hours; MLO’s (new) - disclosure, 396 hours; MLO’s (existing) – updates for changes, 2,856 hours; MLO’s (existing) – maintenance and disclosures, 19,417 hours; Banking organizations, 79,532 hours.

General description of report: In accordance with the Secure and Fair Enforcement for Mortgage Licensing Act (S.A.F.E. Act), the Consumer Financial Protection Bureau’s (CFPB) Regulation G requires MLOs to register with the Nationwide Mortgage Licensing System and Registry (NMLS or Registry),¹ maintain this registration, obtain a unique identifier, and disclose to consumers upon request and through the Registry their unique identifier and the MLO’s employment history and publicly adjudicated disciplinary and enforcement actions. The CFPB’s regulation also requires the institutions employing MLOs to adopt and follow written policies and procedures to

¹ <https://mortgage.nationwidelicensingsystem.org/Pages/default.aspx>.

ensure that their employees comply with these requirements and to conduct annual independent compliance tests.

Legal authorization and confidentiality: The CFPB’s Regulation G is authorized pursuant to the S.A.F.E. Act and the Dodd-Frank Act, which transferred to the CFPB the “consumer financial protection functions,” including the S.A.F.E. Act, previously vested in certain other Federal agencies.² The Board is authorized to enforce consumer financial protection functions, including the CFPB’s Regulation G, with respect to SMBs with \$10 billion or less in total assets that are not affiliates of insured depository institutions with total assets of more than \$10 billion and the subsidiaries of such SMBs that are not functionally regulated within the meaning of section 5(c)(5) of the Bank Holding Company Act (see 12 U.S.C. 1844(c)(5)) under section 1061 of the Dodd Frank Act.³ The International Banking Act (IBA) requires “every branch or agency of a foreign bank and every commercial lending company controlled by one or more foreign banks...[to] conduct its operations in the United States in full compliance with provisions of any law of the United States...which impose requirements that protect the rights of consumers in financial transactions, to the extent that the branch, agency, or commercial lending company engages in activities that are subject to such laws.”⁴ The Board has authority to examine branches and agencies of foreign banks and commercial lending companies owned or controlled by foreign banks and to enforce the provisions of the IBA pursuant to sections 7 and 13 of the IBA.⁵ The CFPB G is mandatory.

The unique identifier of MLOs must be made public and is not considered confidential. In addition, most of the information that MLOs submit in order to register with the NMLS will

² 12 U.S.C. 5101 *et seq*; 12 U.S.C. 5581.

³ 12 U.S.C. 5581(c).

⁴ 12 U.S.C. 3106a(1).

⁵ 12 U.S.C. 3105(c) and 3108(b).

be publicly available. However, certain identifying data about individuals who act as MLOs may be treated as confidential pursuant to exemption 6 of the Freedom of Information Act (FOIA), which protects from disclosure information that “would constitute a clearly unwarranted invasion of personal privacy.”⁶

With respect to the information collection requirements imposed on banking organizations, because banking organizations are required to retain their own records and make certain disclosures to customers, the FOIA would only be implicated if the Board’s examiners obtained a copy of these records as part of the examination or supervision of a financial institution. Records obtained in this manner may be exempt from disclosure under FOIA exemption 8, regarding examination-related materials.⁷

Board of Governors of the Federal Reserve System, January 13, 2020.

Michele Taylor Fennell,

Assistant Secretary of the Board.

Billing Code 6210-01-P

⁶ 5 U.S.C. 552(b)(6).

⁷ 5 U.S.C. 552(b)(8).

