



## FEDERAL TRADE COMMISSION

### Agency Information Collection Activities; Submission for OMB Review; Comment Request; Extension

**AGENCY:** Federal Trade Commission.

**ACTION:** Notice.

**SUMMARY:** The Federal Trade Commission (“FTC” or “Commission”) requests that the Office of Management and Budget (“OMB”) extend for an additional three years the current Paperwork Reduction Act (“PRA”) clearance for information collection requirements contained in the Red Flags, Card Issuers, and Address Discrepancy Rules (“Rules”). That clearance expires on January 31, 2025.

**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. Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to

[www.reginfo.gov/public/do/PRAMain](http://www.reginfo.gov/public/do/PRAMain). Find this particular information collection by selecting “Currently under 30-day Review - Open for Public Comments” or by using the search function.

**FOR FURTHER INFORMATION CONTACT:** Whitney Moore, Attorney, Division of Division of Privacy and Identity Protection, Bureau of Consumer Protection, Federal Trade Commission, Mail Code CC-8232, 600 Pennsylvania Avenue, N.W., Washington, DC 20580, (202) 326-2645.

#### **SUPPLEMENTARY INFORMATION:**

##### **A. Background and Comments**

The FTC’s Office of Management and Budget (“OMB”) clearance (OMB Control No.: 3084-0137) for the collection of information under the Red Flags, Card Issuers, and Address Discrepancy Rules (“Rules”),<sup>1</sup> which implement sections 114 and 315 of the Fair and Accurate Credit Transactions Act of 2003 (“FACT Act”), as amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”)<sup>2</sup> and the Red Flags Program Clarification Act of 2010 (“Clarification Act”),<sup>3</sup> is set to expire on January 31, 2025. Accordingly, on August 22, 2024, the Commission published a *Federal Register* Notice seeking public comment on the proposal to renew this OMB clearance for an additional three-year period. *See* 89 FR 67938 (Aug. 22, 2024). In response to the *Federal Register* Notice, the Commission received two germane comments.

The two comments were generally supportive of the information collection, although the two commenters indicated that they believe that the federal government’s efforts in the context of personal data protections should be expanded.<sup>4</sup> The Commission thanks the commenters for their submissions, and notes that the Commission has also supported greater personal data protections for American consumers by, among other things, encouraging Congress to enact comprehensive federal privacy legislation.<sup>5</sup> However, such initiatives would be beyond the scope of this PRA renewal request. Accordingly, for the foregoing reasons, the Commission declines to make any adjustments to its prior burden estimates or to modify its initial proposal.

## **B. Overview of Information Collection**

*Title of Collection:* Red Flags Rule, 16 CFR 681.1; Card Issuers Rule, 16 CFR 681.2; Address Discrepancy Rule, 16 CFR part 641.

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<sup>1</sup> Red Flags Rule, 16 CFR 681.1; Card Issuers Rule, 16 CFR 681.2; Address Discrepancy Rule, 16 CFR part 641.

<sup>2</sup> Pub. L. 111-203 (2010).

<sup>3</sup> Red Flag Program Clarification Act of 2010, 15 U.S.C. 1681m(e)(4).

<sup>4</sup> *See* <https://www.regulations.gov/comment/FTC-2022-0010-0004>; <https://www.regulations.gov/comment/FTC-2022-0010-0003>.

<sup>5</sup> *See, e.g.*, A Look Behind the Screens: Examining the Data Practices of Social Media and Video Streaming Services (Sept. 11, 2024), [https://www.ftc.gov/system/files/ftc\\_gov/pdf/Social-Media-6b-Report-9-11-2024.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/Social-Media-6b-Report-9-11-2024.pdf) (recommending that Congress enact comprehensive federal privacy legislation that limits surveillance and grants consumers data rights).

*OMB Control Number:* 3084-0137.

*Type of Review:* Extension of currently approved collection.

*Abstract:* The Red Flags Rule requires financial institutions and certain creditors to develop and implement written Identity Theft Prevention Programs. The Card Issuers Rule requires credit and debit card issuers to assess the validity of notifications of address changes under certain circumstances. The Address Discrepancy Rule provides guidance on what covered users of consumer reports must do when they receive a notice of address discrepancy from a nationwide consumer reporting agency. Collectively, these three anti-identity theft provisions are intended to prevent impostors from misusing another person's personal information for a fraudulent purpose. The Rules implement sections 114 and 315 of the FACT Act.

*Affected Public:*

Red Flags Rule: Utilities; motor vehicle dealerships; telecommunications firms; colleges and universities; hospitals; nursing homes; public warehouse and storage firms; fuel dealers; financial transaction processing firms; certain creditors;<sup>6</sup> and other categories of persons that qualify as financial institutions.

Card Issuers Rule: State-chartered credit unions; general merchandise stores; colleges and universities; telecommunications firms; and certain creditors.<sup>7</sup>

Address Discrepancy Rule: Users of consumer reports that are motor vehicle dealers described in section 1029(a) of the Dodd-Frank Act, 12 U.S.C. 5519, and that are predominantly engaged in the sale and servicing of motor vehicles, the leasing and servicing of them, or both.

*Estimated Number of Respondents:* 238,942 (165,494 for Red Flags Rule + 18,500 for Card Issuers Rule + 54,948 for Address Discrepancy Rule).

*Estimated Annual Burden Hours:* 398,479 hours (358,124 hours for Red Flags Rule + 18,608 hours for Card Issuers Rule + 21,747 hours for Address Discrepancy Rule).

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<sup>6</sup> 15 U.S.C. 1681m(e)(4).

<sup>7</sup> *Id.*

*Estimated Annual Labor Costs:* \$22,350,652 (\$21,850,471 for Red Flags and Card Issuers Rule + \$500,181 for Address Discrepancy Rule).

*Estimated Annual Non-Labor Costs:* \$0.

### **C. Request for Comment:**

On August 22, 2024, the FTC sought public comment on the information collection requirements associated with the Rules. 89 FR 67938 (Aug. 22, 2024). Two germane comments were received during the first public comment period and are addressed above. Pursuant to OMB regulations, 5 CFR part 1320, that implement the PRA, 44 U.S.C. 3501 *et seq.*, the FTC is providing this second opportunity for public comment while seeking OMB approval to renew the pre-existing clearance for the Rules. For more details about the Rules' requirements and the basis for the calculations summarized above, see 89 FR 67938.

Your comment—including your name and your state—will be placed on the public record of this proceeding. Because your comment will be made public, you are solely responsible for making sure that your comment does not include any sensitive personal information, such as anyone'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 ensuring 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 "[t]rade secret or any commercial or financial information which is . . . privileged or confidential"—as provided in 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.

**Josephine Liu,**

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