



[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: The FTC intends to ask the Office of Management and Budget (“OMB”) to extend for an additional three years the current Paperwork Reduction Act (“PRA”) clearance¹ for the information collection requirements in the FTC Red Flags, Card Issuers, and Address Discrepancies Rules² (“Rules”). That clearance expires on December 31, 2015.³

DATES: Comments must be submitted by [INSERT DATE 30 DAYS FROM FEDERAL REGISTER DATE OF PUBLICATION].

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 “Red Flags Rule, PRA Comment, Project No. P095406” on your comment. File your comment online at <https://ftcpublic.commentworks.com/ftc/RedFlagsPRA2> 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

¹ OMB Control No. 3084-0137.

² 16 CFR 681.1; 16 CFR 681.2; 16 CFR Part 641.

³ The related preceding Federal Register Notice, 80 FR 42806 (Jul. 20, 2015) (“July 20, 2015 Notice”), erroneously stated that existing clearance expires November 30, 2015.

Secretary, Constitution Center, 400 7th Street, SW, 5th Floor, Suite 5610 (Annex J),
Washington, DC 20024.

FOR FURTHER INFORMATION CONTACT: Requests for additional information should be addressed to Steven Toporoff, Attorney, Bureau of Consumer Protection, (202) 326-2252, Federal Trade Commission, 600 Pennsylvania Avenue, Washington, DC 20580.

SUPPLEMENTARY INFORMATION:

Title: Red Flags Rule, 16 CFR 681.1; Card Issuers Rule, 16 CFR 681.2; Address Discrepancy Rule, 16 CFR Part 641

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 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 impostures from misusing another person's personal information for a fraudulent purpose.

The Rules implement sections 114 and 315 of the Fair Credit Reporting Act ("FCRA"), 15 U.S.C. 1681 et seq., to require businesses to undertake measures to prevent identity theft and increase the accuracy of consumer reports.

The Commission received no relevant public comments on the Rules' information collection requirements and FTC staff's associated PRA burden analysis and estimates that appeared in the July 20, 2015 Federal Register Notice. That Notice discusses in greater detail

staff's methodology behind the estimates restated here in summary form, while also providing an overview of the Rules' and the statutes that underlie them.

Pursuant to the OMB regulations, 5 CFR Part 1320, that implement the PRA, 44 U.S.C. 3501 et seq., the FTC is providing a second opportunity for the public to comment on:

(1) whether the disclosure requirements are necessary, including whether the information will be practically useful; (2) the accuracy of our burden estimates, including whether the methodology and assumptions used are valid; (3) ways to enhance the quality, utility, and clarity of the information to be collected; and (4) ways to minimize the burden of the collection of information.

Estimated Annual Burden

A Section 114: Red Flags and Card Issuers Rules:

(1) Red Flags:

(a) Estimated Number of Respondents: 162,302⁴

(i) High-Risk Entities: ⁵ 101,328

(ii) Low-Risk Entities: 60,974⁶

⁴ This figure comprises 6,298 financial institutions and 156,004 creditors (95,030 high-risk entities, excluding financial institutions + 60,974 low-risk creditors). Due both to prior math error and mistakenly incorporating the tally of financial institutions with creditors, the July 20, 2015 Notice misstated the number of creditors as 162,295, instead of 156,004. The total number of financial institutions draws from FTC staff analysis of state credit unions and insurers within the FTC's jurisdiction using 2012 Census data ("County Business Patterns," U.S.) and other online industry data. The total number of creditors draws from FTC staff analysis of 2012 Census data and industry data for businesses or organizations that market goods and services to consumers or other businesses or organizations subject to the FTC's jurisdiction, reduced by entities not likely to: (1) obtain credit reports, report credit transactions, or advance loans; and (2) entities not likely to have covered accounts under the Rule.

⁵ High-risk entities include, for example, financial institutions within the FTC's jurisdiction and utilities, motor vehicle dealerships, telecommunications firms, colleges and universities, and hospitals.

⁶ Low-risk entities include, for example, public warehouse and storage firms, nursing and residential care facilities, automotive equipment rental and leasing firms, office supplies and stationery stores, fuel dealers, and financial transactions processing firms.

- (b) Estimated Hours Burden:⁷
 - (i) High-Risk Entities: 1,317,264 hours
 - (ii) Low-Risk Entities: 37,601 hours
 - (2) Card Issuers Rule:
 - (a) Estimated Number of Respondents: 16,301⁸
 - (b) Estimated Hours Burden: 65,204 hours.
 - (3) Combined Labor Cost Burden: \$76,683,726
- B. Section 315 - Address Discrepancy Rule:⁹
- (1) Estimated Number of Respondents
 - (a) Customer Verification: 1,875,275
 - (b) Address Verification: 10,000
 - (2) Estimated Hours Burden
 - (a) Customer Verification: 875,128 hours
 - (b) Address Verification: 1,667 hours
 - (3) Estimated Labor Cost Burden: \$15,782,310
- C. Capital/Non-Labor Costs for Sections 114 and 315

FTC staff believes that the Rules impose negligible capital or other non-labor costs, as the affected entities are likely to have the necessary supplies and/or equipment already (e.g., offices and computers) for the information collections described herein.

⁷ See the July 20, 2015 Notice, 80 FR at 42808, for details underlying the Red Flags hours burden estimates.

⁸ FTC staff estimates that the Rule affects as many as 16,301 card issues within the FTC's jurisdiction. This includes, for example, state credit unions, general retail merchandise stores, colleges and universities, and telecoms.

⁹ See the July 20, 2015 Notice, 80 FR at 42809, for details underlying Section 315 and the Card Issuer Rule population and burden estimates.

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 from FEDERAL REGISTER date of publication]. Write “Red Flags Rule, PRA2, Project No. P095406” 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 Commission Website, at <http://www.ftc.gov/os/publiccomments.shtm>. As a matter of discretion, the Commission tries to remove individuals’ home contact information from comments before placing them on the Commission Website.

Because your comment will be made public, you are solely responsible for making sure that your comment doesn’t include any sensitive personal information, like 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 making sure that your comment doesn’t include any sensitive health information, like medical records or other individually identifiable health information. In addition, don’t 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). In particular, don’t include competitively sensitive information such as costs, sales statistics, inventories, formulas, patterns, devices, manufacturing processes, or customer names.

If you want the Commission to give your comment confidential treatment, you must file it in paper form, with a request for confidential treatment, and you have to follow the procedure

explained in FTC Rule 4.9(c), 16 CFR 4.9(c).¹⁰ Your comment will be kept confidential only if the FTC General Counsel grants your request in accordance with the law and the public interest.

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/RedFlagsPRA2> 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 “Red Flags Rule, PRA Comment, Project No. P095406,” on your comment and on the envelope. You can 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.

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 from FEDERAL REGISTER date of publication]. For information on the Commission’s privacy policy, including routine uses permitted by the Privacy Act, see <http://www.ftc.gov/ftc/privacy.htm>. For supporting documentation and other information underlying the PRA discussion in this Notice, see <http://www.reginfo.gov/public/jsp/PRA/prDashboard.jsp>.

¹⁰ 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), 16 CFR 4.9(c).

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 should be sent by facsimile to (202) 395-5806.

David C. Shonka,
Principal Deputy General Counsel.
[FR Doc. 2015-25257 Filed: 10/2/2015 08:45 am; Publication Date: 10/5/2015]