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FEDERAL RESERVE SYSTEM

Proposed Agency Information Collection Activities; Comment Request

AGENCY: Board of Governors of the Federal Reserve System

ACTION: Notice for comment regarding the Federal Reserve proposal to extend without revision, the clearance under the Paperwork Reduction Act for the following information collection activity.

SUMMARY: The Board of Governors of the Federal Reserve System (Board or Federal Reserve) invites comment on a proposal to extend for three years, without revision, the Registration of Mortgage Loan Originators

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.

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 *CFPB Reg G*, 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. Include OMB number in the subject line of the message.
- FAX: (202) 452-3819 or (202) 452-3102.
- Mail: Robert deV. Frierson, 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 <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 18th and 19th Streets NW) Washington, DC 20006 between 9:00 a.m. and 5:00 p.m. on weekdays.

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 17th 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:

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 proposed revisions 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: Registration of Mortgage Loan Originators.

Agency form number: CFPB Reg G.

OMB control number: 7100-0328.

Frequency: Annually.

Respondents: Employees of state member banks, certain subsidiaries of state member banks, branches and agencies of foreign banks that are regulated by the Federal Reserve, and commercial lending companies of foreign banks who act as residential mortgage loan originators (MLOs).

Estimated number of respondents: MLOs (*new*): Initial set up and disclosure, 173 respondents; MLOs (*existing*): Maintenance and disclosure, 21,656 respondents; MLOs (*existing*): Updates for changes, 10,828 respondents; and Depository Institutions, and subsidiaries, 741 respondents.

Estimated average hours per response: MLOs (*new*): Initial set up and disclosure, 3.5 hours; MLOs (*existing*): Maintenance and disclosure, 0.85 hours; MLOs (*existing*): Updates for changes, 0.25 hours; and Depository Institutions, and subsidiaries, 118 hours.

Estimated annual burden hours: MLOs (*new*): Initial set up and disclosure, 606 hours; MLOs (*existing*): Maintenance and disclosure, 18,408 hours; MLOs (*existing*): Updates for changes, 2,707 hours; and Depository Institutions, and subsidiaries, 87,438 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 residential mortgage loan originators (MLOs) to register with the Nationwide Mortgage Licensing System and Registry (the Registry), obtain a unique identifier, maintain this registration, 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 these MLOs to adopt and follow written policies and procedures to ensure their employees comply with these requirements and to conduct annual independent compliance tests to assure compliance. The CFPB's rule applies to a broad range of financial institutions and their employees, including Board-supervised institutions/employees, such as state member banks and their non-functionally-regulated subsidiaries, state uninsured branches and agencies of foreign banks, and commercial lending companies owned or controlled by foreign banks.

Legal authorization and confidentiality: The Board's Legal Division has determined that Section 1507 of the S.A.F.E. Act, (12 U.S.C. 5106), requires that the CFPB develop and maintain a system for registering individual MLOs of covered financial institutions regulated by a federal banking agency with the Nationwide Mortgage Licensing System and Registry. Section 1504 of the S.A.F.E. Act, (12 U.S.C. 5103), requires that an individual desiring to engage in the business of a loan originator maintain an annual federal registration (or be licensed by an equivalent state regulatory scheme) and appear on the Registry with a unique identifier. Section 1007.103 of the CFPB's Regulation G implements this registration scheme; Section 1007.104 requires the adoption of appropriate policies and procedures by covered financial institutions; and Section 1007.105 requires that covered financial institutions provide the unique identifiers of MLOs to consumers. (12 CFR 1007.103 - .105). Under Section 1061 of the Dodd-Frank Act, (12 U.S.C. 5581(c)), "a transferor agency [such as the Board] that is a prudential regulator shall have ... "authority to require reports from ... conduct examinations for ... and enforce compliance with Federal consumer financial laws" with respect to the Board-supervised entities enumerated

above. Therefore, the Board is authorized to collect this information with respect to the institutions we supervise for this purpose. This information collection is mandatory.

As noted above, 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 Nationwide Mortgage Licensing System and Registry will be publicly available. However, certain identifying data about individuals who act as MLOs are entitled to confidential treatment under (b)(6) of the Freedom of Information Act (FOIA), which protects from disclosure information that “would constitute a clearly unwarranted invasion of personal privacy.” (5 U.S.C. 552(b)(6)).

With respect to the information collection requirements imposed on depository institutions, because the requirements require that depository institutions 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 process of a financial institution. However, records obtained in this manner are exempt from disclosure under FOIA exemption (b)(8), regarding examination-related materials. (5 U.S.C. 552(b)(8)).

Board of Governors of the Federal Reserve System, January 5, 2017.

Robert deV. Frierson
Secretary of the Board.

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