

March 8, 2016

Legislative and Regulatory Activities Division
Office of the Comptroller of the Currency

Attn: 1557-0331

400 7th Street, S.W., Suite 3E-218

Mail Stop 9W-11

Washington DC 20219

Subject: **Domestic First Lien Residential Mortgage Data** (OMB Control No.: 1557-0331)

This letter is in response to the Office of the Comptroller of the Currency's (OCC) request for comment on the agency's proposal to revise information collection on domestic first-lien residential mortgage data. Comments must be received by April 6, 2016. I appreciate the OCC's request for public comment. I fully support the agency's quest to reduce paperwork and unnecessary burden.

The OCC invites comments on the following:

1. Whether the collection of the proposed information is necessary for the proper performance of the OCC and whether the information has practical utility
2. The accuracy of the OCC's estimate of burden
3. Ways to enhance the quality, utility and clarity of the information
4. Ways to minimize burden on respondents via the use of technology
5. Estimates of capital or start-up costs or cost of operation

My comments relate to topic #1 and #4.

THE PROPOSED REVISION OF IS UNNECESSARY

The OCC wants to revise the information collection to include *aggregate values* to be calculated from the loan-level data currently being report to the OCC. The OCC wants banks to perform basic math and provide *summations or totals* on the values currently reported at the loan level. For example, if the unpaid principal balance (UPB) on 5,000 loans currently being reported to the OCC sums to \$289,004,297, the OCC wants the bank to now report that figure (a summation) along with the individual UPB data on each of the 5,000 loans. This suggests that OCC computers are not capable of performing **basic arithmetic** (i.e., addition) on the loan-level data the agency currently collects.

The OCC can minimize burden on respondents (topic #4) if the agency itself calculates aggregate values from the loan-level data currently being reported. In its final decision or rulemaking, the OCC should explain why it is not less burdensome for the OCC to calculate aggregate values from the data the agency already collects. This issue of burden is particularly important since the OCC does not need the aggregate value information regularly (i.e., quarterly, monthly). Instead, the OCC wants banks to provide this information *only upon the OCC's request* ... and the OCC may never request it.

Please note that if the OCC says it cannot perform basic arithmetic on the loan-level data due to data quality problems, such as duplicate data or incomplete data, then banks submitting aggregate values on poor-quality datasets has no practical utility (topic #1). If this is the case, the OCC in its final decision or rulemaking should discuss why bank-provided aggregate values on a poor-quality data helps the OCC achieve its mission. The agency should also discuss why it is not instead focusing on the data

quality problem. This too is an important issue since poor data quality can increase the OCC's costs by causing resources to be misdirected.

I look forward to reading these explanations in the publication of the OCC's final decision or rulemaking.

PLEASE CONSIDER ALL PUBLIC COMMENTS

The OCC improves the quality, utility and clarity of information when it attentively responds to all significant public comments before finalizing rules.

Presidential Executive Order 13563 (January 18, 2011) sets forth the general principles of regulation. Section 2 of the Order requires regulations to be adopted through a process involving public participation. To that end, regulations are to be based, to the extent feasible, on the open exchange of information and perspectives among affected stakeholders and the public. Federal agencies are to base their reasoning and conclusions on the rulemaking record, consistent of the comments, scientific data, expert opinions, and facts accumulated during the pre-rule and proposed rule stages.¹

If the OCC and American people are to benefit from a process of public comments, it is important for the public to know whether the OCC considered all comments, and if the views or evidence presented was accepted or rejected by the agency. When the OCC leaves unclear whether it considered comments, the public record is incomplete and the OCC creates the perception that it makes final decisions on rules without considering the data, views, and arguments of others. The opportunity to comment on proposed regulation is meaningless unless the OCC responds to germane points raised by the public.

I appreciate the opportunity to comment on the OCC's proposal. I wish the agency the best of luck.

Sincerely,

Sandra A. Holly
Hyattsville, MD

¹ If the rulemaking record contains persuasive new data or policy arguments, or contains difficult questions, there is a presumption that the agency will amend aspects of the rule to reflect these new issues, or terminate the rulemaking.