

to the lenders, while 5 percent went to pay actual insurance claims. A similar pattern holds for the sale of its accident and health policies sold in junction with the loan—in one state, Georgia, in 2011, 56 percent went back to the lenders, and only 14 percent went to claims.<sup>16</sup>

A series of enforcement actions by the Consumer Financial Protection Bureau provides important examples of how add-on products can be used to increase the cost of using a credit card, both at the time the account is opened and later in the relationship.<sup>17</sup> In July 2012, the CFPB issued a bulletin describing its supervisory experience with add-on products and clarifying the steps that supervised institutions should take to ensure that add-on products do not harm consumers or violate federal law.<sup>18</sup> The bulletin discussed expectations around the marketing of add-on products and associated employee compensation guidelines to ensure that financial institutions do not create an incentive to provide inaccurate information. The bulletin also highlighted the need to ensure that consumers are not required to purchase products as a condition of obtaining credit.

As noted in reports to investors, both Springleaf and OneMain sell various ancillary products, such as credit insurance and membership products, which are typically financed into the principal of the loan upon origination.<sup>19</sup>

<sup>16</sup>Id.

<sup>17</sup> See summary of CFPB enforcement actions in Comments of Center for Responsible Lending, National Consumer Law Center, Consumer Federation of America, Consumer Action, and U.S. PIRG, to U.S. Department of Defense, December 31, 2014, [http://www.responsiblelending.org/sites/default/files/nodes/files/research-publication/mla\\_comments\\_12242014.pdf](http://www.responsiblelending.org/sites/default/files/nodes/files/research-publication/mla_comments_12242014.pdf).

<sup>18</sup> Marketing of Credit Card Add-on Products. CFPB Bulletin 2012–06. Washington, DC: Consumer Financial Protection Bureau, July 18, 2012. [http://files.consumerfinance.gov/f/201207\\_cfpb\\_bulletin\\_marketing\\_of\\_credit\\_card\\_addon\\_products.pdf](http://files.consumerfinance.gov/f/201207_cfpb_bulletin_marketing_of_credit_card_addon_products.pdf).

<sup>19</sup> Springleaf Financial Services, 2015–B Private Placement Memorandum, <http://investor.springleaffinancial.com/asset-backed-securities.cfm> “Springleaf, Springleaf sells credit insurance products to its personal loan borrowers. These products are provided by a group of Springleaf-affiliated insurance companies and insure the personal loan borrower’s payment obligations on the related personal loan in the event of such personal loan borrower’s inability to make monthly payments due to death, disability or involuntary unemployment. Payment of the associated premiums can be made by the Borrower separately, but except in very rare instances, the personal loan borrower finances payment of the premium and it is included in the principal balance of the applicable personal loan. The financing of credit insurance products premiums generally represents approximately 4.00% of the aggregate principal balance of Springleaf’s personal loan portfolio.”

OneMain Financial, OMFIT 2015–3 Private Placement Memorandum, at 91, <http://files>.

Both companies sell the products through affiliates; for both companies, these affiliates are significant parts of their business. For example, Springleaf notes that financed insurance premiums account for 4% of the aggregate principal loan balance, and for OneMain, they represented 5.3% of the aggregate principal balance of OneMain Financial’s personal loan portfolio as of December 31, 2013.

In North Carolina, where Springleaf and OneMain comprise the two largest lenders, the sale of insurance products on installment loans made by consumer finance companies is more than double the number of loans originated, indicating that a single loan is often stacked with multiple insurance products.<sup>20</sup>

Further indicative that some lenders use credit insurance or other add-on sales to drive up loan costs is the fact that installment lenders tack on add-on products in states that have lower statutory caps on interest, but do not do so in states that allow for higher interest rates.<sup>21</sup>

A survey by the North Carolina Justice Center puts a point on how add-ons help drive refinancings. The survey of 50 cases filed by consumer finance lenders in Wake County, North Carolina, found that where there was evidence of refinancing, a majority of the “payout” went towards paying credit insurance fees. The average amount disbursed to borrowers was less than \$1.50.

[shareholder.com/downloads/AMDA-28PMI5/1321842233x0x867148/8308BAA5-B813-4111-84BC-31DCD0DD918/OMFIT\\_2015-3\\_-\\_Final\\_PPM.pdf](http://shareholder.com/downloads/AMDA-28PMI5/1321842233x0x867148/8308BAA5-B813-4111-84BC-31DCD0DD918/OMFIT_2015-3_-_Final_PPM.pdf) “OneMain Financial offers its customers optional credit insurance products and membership programs, and the premiums and fees for these products and programs typically are financed as part of the principal balance of the applicable personal loan. See “Underwriting Process and Standards—Optional Products: Credit Insurance and Membership Program” in this private placement memorandum. This represents approximately 4.9% of the aggregate principal balance of OneMain Financial’s personal loan portfolio as of June 30, 2015. . . . OneMain Financial offers optional insurance products to its customers through its affiliated insurance companies American Health and Life Insurance, Co. (“AHL”), and Triton Insurance Company (“Triton”) and together with AHL, “Citi Assurance Services” or “CAS”), as described below under “Underwriting Process and Standards—Optional Products: Credit Insurance and Membership Program” in this private placement memorandum. AHL and Triton are wholly-owned subsidiaries of CCC.

<sup>20</sup> The North Carolina Commissioner of Banks’s 2014 Consumer Finance Annual Report showed more than 1.2 million credit insurance products were sold on only 495,682 loans. [http://www.nccob.org/Public/docs/Financial%20Institutions/Consumer%20Finance/2014\\_Annual\\_Report.pdf](http://www.nccob.org/Public/docs/Financial%20Institutions/Consumer%20Finance/2014_Annual_Report.pdf)

<sup>21</sup> Kiel, Paul, “The 182 Percent Loan: How Installment Lenders Put Borrowers in a World of Hurt,” ProPublica, May 13, 2014. <http://www.propublica.org/article/installment-loans-world-finance>.

## Lenders Tend To Charge the Maximum Rate Permitted Under State Law

In its 2012 annual report to investors, a national consumer installment lender noted “that virtually all participants in the small-loan consumer finance industry charge at or close to the maximum rates permitted under applicable state laws in those states with interest rate limitations.”<sup>22</sup> Similarly, in an in-depth examination of the consumer installment lending industry, the NC Commission on Banks determined that “licensees were charging the maximum blended rate allowable.”<sup>23</sup> There is no competition on price in this market—rather, any competition is centered around store location and branding. For consumers, the presence of more or different lenders in a community will have no meaningful impact on the cost of installment loans.

We urge the Department to consider this information carefully, and to clarify its statement that these loans are helpful to communities in need. As this information shows, too often these loans lead to financial harm, not help.

[FR Doc. 2016–06238 Filed 3–18–16; 8:45 am]

BILLING CODE P

## DEPARTMENT OF JUSTICE

[OMB Number 1103–0100]

### Agency Information Collection Activities: Proposed eCollection eComments Requested Monitoring Information Collections

**AGENCY:** Community Orient Policing Services, Department of Justice.

**ACTION:** 30-Day notice.

**SUMMARY:** The Department of Justice (DOJ) Office of Community Oriented Policing Services (COPS) will be submitting the following information collection request to the Office of Management and Budget (OMB) for review and approval in accordance with the Paperwork Reduction Act of 1995. The proposed information collection was previously published in the **Federal Register** at 81 FR 1443, on January 12, 2016, to obtain comments from the public and affected agencies.

**DATES:** The purpose of this notice is to allow for an additional 30 days until April 20, 2016.

**FOR FURTHER INFORMATION CONTACT:** If you have comments especially on the

<sup>22</sup> World Acceptance Corporation, SEC Filing 10–K, March 31, 2012.

<sup>23</sup> N.C. Commissioner of Banks, “The Consumer Finance Act: Report and Recommendations to the 2011 General Assembly.” February 2011.

estimated public burden or associated response time, suggestions, or need a copy of the proposed information collection instrument with instructions or additional information, please contact Lashon M. Hilliard, Department of Justice Office of Community Oriented Policing Services, 145 N Street NE., Washington, DC 20530. Written comments and/or suggestions can also be directed to the Office of Management and Budget, Office of Information and Regulatory Affairs, Attention Department of Justice Desk Officer, Washington, DC 20530 or sent to [OIRA\\_submissions@omb.eop.gov](mailto:OIRA_submissions@omb.eop.gov).

**SUPPLEMENTARY INFORMATION:** Written comments and suggestions from the public and affected agencies concerning the proposed collection of information are encouraged. Your comments should address one or more of the following four points:

- Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;
- Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;
- Enhance the quality, utility, and clarity of the information to be collected; and
- Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

#### Overview of This Information Collection

(1) *Type of Information Collection:* Extension of a currently approved collection.

(2) *Title of the Form/Collection:* Monitoring Information Collections.

(3) *Agency form number:* 1103–0100 U.S. Department of Justice Office of Community Oriented Policing Services.

(4) *Affected public who will be asked or required to respond, as well as a brief abstract:*

Primary: COPS Office hiring grantees that are selected for in-depth monitoring of their grant implementation and equipment grantees that report using COPS funds to implement a criminal intelligence system will be required to respond. The Monitoring Information Collections include two types of

information collections: the Monitoring Request for Documentation and the 28 CFR part 23 Monitoring Kit.

(5) *An estimate of the total number of respondents and the amount of time estimated for an average respondent to respond/reply:* It is estimated that 150 respondents annually will complete the Monitoring Request for Documentation at 3 hours per respondent.

(6) *An estimate of the total public burden (in hours) associated with the collection:* There are an estimated 450 total annual burden hours associated with this collection.

If additional information is required contact: Jerri Murray, Department Clearance Officer, United States Department of Justice, Justice Management Division, Policy and Planning Staff, Two Constitution Square, 145 N Street NE., Room 3E.405B, Washington, DC 20530.

Dated: March 15, 2016.

**Jerri Murray,**

*Department Clearance Officer for PRA, U.S. Department of Justice.*

[FR Doc. 2016–06224 Filed 3–18–16; 8:45 am]

**BILLING CODE 4410–AT–P**

#### DEPARTMENT OF JUSTICE

[OMB Number 1103–0098]

#### Agency Information Collection Activities; Proposed eCollection eComments Requested; COPS Application Package

**AGENCY:** Community Oriented Policing Services, Department of Justice.

**ACTION:** 30-Day notice.

**SUMMARY:** The Department of Justice (DOJ) Office of Community Oriented Policing Services (COPS) will be submitting the following information collection request to the Office of Management and Budget (OMB) for review and approval in accordance with the Paperwork Reduction Act of 1995. The proposed information collection was previously published in the **Federal Register** at 81 FR 1644, on January 13, 2016, to obtain comments from the public and affected agencies.

**DATES:** The purpose of this notice is to allow for an additional 30 days for public comment April 20, 2016.

**FOR FURTHER INFORMATION CONTACT:** If you have comments especially on the estimated public burden or associated response time, suggestions, or need a copy of the proposed information collection instrument with instructions or additional information, please contact Lashon M. Hilliard, Department of Justice Office of Community Oriented

Policing Services, 145 N Street NE., Washington, DC 20530. Written comments and/or suggestions can also be directed to the Office of Management and Budget, Office of Information and Regulatory Affairs, Attention Department of Justice Desk Officer, Washington, DC 20530 or sent to [OIRA\\_submissions@omb.eop.gov](mailto:OIRA_submissions@omb.eop.gov).

**SUPPLEMENTARY INFORMATION:** Written comments and suggestions from the public and affected agencies concerning the proposed collection of information are encouraged. Your comments should address one or more of the following four points:

- Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;
- Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;
- Enhance the quality, utility, and clarity of the information to be collected; and
- Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

#### Overview of This Information Collection

(1) *Type of Information Collection:* Revision of a currently approved collection.

(2) *Title of the Form/Collection:* COPS Application Package.

(3) *Agency form number:* 1103–0098 U.S. Department of Justice Office of Community Oriented Policing Services.

(4) *Affected public who will be asked or required to respond, as well as a brief abstract:*

Primary: COPS Office grantees.

(5) *An estimate of the total number of respondents and the amount of time estimated for an average respondent to respond/reply:* The estimated total number of respondents is 5,000. The estimated hourly burden to the applicant is 11 hours for each respondent to review the instructions and complete the application.

(6) *An estimate of the total public burden (in hours) associated with the collection:* There are an estimated 55,000 total annual burden hours associated with this collection.