

Home Mortgage Disclosure Act; Regulation C; Official Staff Interpretations; HMDA
FAQs

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Home Mortgage Disclosure Act

UNITED STATES CODE

TITLE 12. BANKS AND BANKING

CHAPTER 29--HOME MORTGAGE DISCLOSURE

HMDA 12 USC § 2801 Congressional findings and declaration of purpose

Reference

(a) Findings of Congress -- The Congress finds that some depository institutions have sometimes contributed to the decline of certain geographic areas by their failure pursuant to their chartering responsibilities to provide adequate home financing to qualified applicants on reasonable terms and conditions.

(b) Purpose of chapter -- The purpose of this chapter is to provide the citizens and public officials of the United States with sufficient information to enable them to determine whether depository institutions are filling their obligations to serve the housing needs of the communities and neighborhoods in which they are located and to assist public officials in their determination of the distribution of public sector investments in a manner designed to improve the private investment environment.

(c) Construction of chapter -- Nothing in this chapter is intended to, nor shall it be construed to, encourage unsound lending practices or the allocation of credit.

HMDA 12 USC § 2802 Definitions

Reference

[Changes effective on a date as designated under 12 USC 5582 (Dodd-Frank) that will be not earlier than 180 days, nor later than 12 months, after the date of enactment of this Act (Dodd-Frank), unless specified in 12 USC 5582 (Dodd-Frank)]

For purposes of this chapter --

(1) the term "Bureau" means the Bureau of Consumer Financial Protection;

(2) the term "mortgage loan" means a loan which is secured by residential real property or a home improvement loan;

(3) the term "depository institution" --

(A) means --

(i) any bank (as defined in section 1813(a)(1) of this title);

(ii) any savings association (as defined in section 1813(b)(1) of this title); and

(iii) any credit union, which makes federally related mortgage loans as determined by the Board; and

(B) includes any other lending institution (as defined in paragraph (4)) other than any institution described in subparagraph (A);

(4) the term "completed application" means an application in which the creditor has received the information that is regularly obtained in evaluating applications for the amount and type of credit requested;

(5) the term "other lending institutions" means any person engaged for profit in the business of mortgage lending;

(6) the term "Board" means the Board of Governors of the Federal Reserve System; and

(7) the term "Secretary" means the Secretary of Housing and Urban Development.

HMDA 12 USC § 2803 Maintenance of records and public disclosure

Reference

[Changes effective on a date as designated under 12 USC 5582 (Dodd-Frank) that will be not earlier than 180 days, nor later than 12 months, after the date of enactment of this Act (Dodd-Frank), unless specified in 12 USC 5582 (Dodd-Frank)]

(a) Duty of depository institutions; nature and content of information

(1) Each depository institution which has a home office or branch office located within a primary metropolitan statistical area, metropolitan statistical area, or consolidated metropolitan statistical area that is not comprised of designated primary metropolitan statistical areas, as defined by the Department of Commerce shall compile and make available, in accordance with regulations of the Bureau Board, to the public for inspection and copying at the home office, and at least one branch office within each primary metropolitan statistical area, metropolitan statistical area, or consolidated metropolitan statistical area that is not comprised of designated primary metropolitan statistical areas in which the depository institution has an office the number and total dollar amount of mortgage loans which were (A) originated (or for which the institution received completed applications), or (B) purchased by that institution during each fiscal year (beginning with the last full fiscal year of that institution which immediately preceded the effective date of this chapter).

(2) The information required to be maintained and made available under paragraph (1) shall also be itemized in order to clearly and conspicuously disclose the following:

(A) The number and dollar amount for each item referred to in paragraph (1), by census tracts for mortgage loans secured by property located within any county with a population of more than 30,000, within that primary metropolitan statistical area, metropolitan statistical area, or consolidated metropolitan statistical area that is not comprised of designated primary metropolitan statistical areas, otherwise, by county, for mortgage loans secured by property located within any other county within that primary metropolitan statistical area, metropolitan statistical area, or consolidated metropolitan statistical area that is not comprised of designated primary metropolitan statistical areas.

(B) The number and dollar amount for each item referred to in paragraph (1) for all such mortgage loans which are secured by property located outside that primary metropolitan statistical area, metropolitan statistical area, or consolidated

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metropolitan statistical area that is not comprised of designated primary metropolitan statistical areas.

For the purpose of this paragraph, a depository institution which maintains offices in more than one primary metropolitan statistical area, metropolitan statistical area, or consolidated metropolitan statistical area that is not comprised of designated primary metropolitan statistical areas shall be required to make the information required by this paragraph available at any such office only to the extent that such information relates to mortgage loans which were originated or purchased (or for which completed applications were received) by an office of that depository institution located in the primary metropolitan statistical area, metropolitan statistical area, or consolidated metropolitan statistical area that is not comprised of designated primary metropolitan statistical areas in which the office making such information available is located. For purposes of this paragraph, other lending institutions shall be deemed to have a home office or branch office within a primary metropolitan statistical area, metropolitan statistical area, or consolidated metropolitan statistical area that is not comprised of designated primary metropolitan statistical areas if such institutions have originated or purchased or received completed applications for at least 5 mortgage loans in such area in the preceding calendar year.

(b) Itemization of loan data

Any item of information relating to mortgage loans required to be maintained under subsection (a) of this section shall be further itemized in order to disclose for each such item --

- (1) the number and dollar amount of mortgage loans which are insured under Title II of the National Housing Act [12 U.S.C.A. § 1707 et seq.] or under Title V of the Housing Act of 1949 [42 U.S.C.A. § 1471 et seq.] or which are guaranteed under chapter 37 of Title 38;
- (2) the number and dollar amount of mortgage loans made to mortgagors who did not, at the time of execution of the mortgage, intend to reside in the property securing the mortgage loan;
- (3) the number and dollar amount of home improvement loans; ~~and~~
- (4) the number and dollar amount of mortgage loans and completed applications involving mortgagors or mortgage applicants grouped according to census tract, income level, racial characteristics, age, and gender; and-

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(5) the number and dollar amount of mortgage loans grouped according to measurements of --

(A) the total points and fees payable at origination in connection with the mortgage as determined by the Bureau, taking into account 15 U.S.C. 1602(aa)(4);

(B) the difference between the annual percentage rate associated with the loan and a benchmark rate or rates for all loans;

(C) the term in months of any prepayment penalty or other fee or charge payable on repayment of some portion of principal or the entire principal in advance of scheduled payments; and

(D) such other information as the Bureau may require; and

(6) the number and dollar amount of mortgage loans and completed applications grouped according to measurements of --

(A) the value of the real property pledged or proposed to be pledged as collateral;

(B) the actual or proposed term in months of any introductory period after which the rate of interest may change;

(C) the presence of contractual terms or proposed contractual terms that would allow the mortgagor or applicant to make payments other than fully amortizing payments during any portion of the loan term;

(D) the actual or proposed term in months of the mortgage loan;

(E) the channel through which application was made, including retail, broker, and other relevant categories;

(F) as the Bureau may determine to be appropriate, a unique identifier that identifies the loan originator as set forth in section 1503 of the S.A.F.E. Mortgage Licensing Act of 2008;

(G) as the Bureau may determine to be appropriate, a universal loan identifier;

(H) as the Bureau may determine to be appropriate, the parcel number that corresponds to the real property pledged or proposed to be pledged as collateral;

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(I) the credit score of mortgage applicants and mortgagors, in such form as the Bureau may prescribe; and

(J) such other information as the Bureau may require.

(c) Period of maintenance

Any information required to be compiled and made available under this section, other than loan application register information under subsection (j) of this section, shall be maintained and made available for a period of five years after the close of the first year during which such information is required to be maintained and made available.

(d) Duration of disclosure requirements

Notwithstanding the provisions of subsection (a)(1) of this section, data required to be disclosed under this section for 1980 and thereafter shall be disclosed for each calendar year. Any depository institution which is required to make disclosures under this section but which has been making disclosures on some basis other than a calendar year basis shall make available a separate disclosure statement containing data for any period prior to calendar year 1980 which is not covered by the last full year report prior to the 1980 calendar year report.

(e) Format for disclosures

Subject to subsection (h) of this section, the Bureau ~~Board~~ shall prescribe a standard format for the disclosures required under this section.

(f) Data disclosure system; operation, etc.

The Federal Financial Institutions Examination Council, in consultation with the Secretary, shall implement a system to facilitate access to data required to be disclosed under this section. Such system shall include arrangements for a central depository of data in each primary metropolitan statistical area, metropolitan statistical area, or consolidated metropolitan statistical area that is not comprised of designated primary metropolitan statistical areas. Disclosure statements shall be made available to the public for inspection and copying at such central depository of data for all depository institutions which are required to disclose information under this section (or which are exempted pursuant to section 2805(b) of this title) and which have a home office or branch office within such primary metropolitan statistical area, metropolitan statistical area, or consolidated metropolitan statistical area that is not comprised of designated primary metropolitan statistical areas.

(g) Exceptions

The requirements of subsections (a) and (b) of this section shall not apply with respect to mortgage loans that are --

(1) made (or for which completed applications are received) by any mortgage banking subsidiary of a bank holding company or savings and loan holding company or by any savings and loan service corporation that originates or purchases mortgage loans; and

(2) approved (or for which completed applications are received) by the Secretary for insurance under Title I or II of the National Housing Act. [12 U.S.C.A. §§ 1702 et seq. and 1707 et seq.].

(h) SUBMISSION TO AGENCIES

(1) IN GENERAL The data required to be disclosed under subsection (b) shall be submitted to the Bureau or to the appropriate agency for the institution reporting under this title, in accordance with rules prescribed by the Bureau. Notwithstanding the requirement of subsection (a)(2)(A) for disclosure by census tract, the Bureau, in consultation with other appropriate agencies described in paragraph (2) and, after notice and comment, shall develop regulations that --

(A) prescribe the format for such disclosures, the method for submission of the data to the appropriate agency, and the procedures for disclosing the information to the public;

(B) require the collection of data required to be disclosed under subsection (b) with respect to loans sold by each institution reporting under this title;

(C) require disclosure of the class of the purchaser of such loans;

(D) permit any reporting institution to submit in writing to the Bureau or to the appropriate agency such additional data or explanations as it deems relevant to the decision to originate or purchase mortgage loans; and

(E) modify or require modification of itemized information, for the purpose of protecting the privacy interests of the mortgage applicants or mortgagors, that is or will be available to the public.

(2) OTHER APPROPRIATE AGENCIES The appropriate agencies described in this paragraph are --

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(A) the appropriate Federal banking agencies, as defined in section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q)), with respect to the entities that are subject to the jurisdiction of each such agency, respectively;

(B) the Federal Deposit Insurance Corporation for banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System), mutual savings banks, insured State branches of foreign banks, and any other depository institution described in section 303(2)(A) which is not otherwise referred to in this paragraph;

(C) the National Credit Union Administration Board with respect to credit unions; and

(D) the Secretary of Housing and Urban Development with respect to other lending institutions not regulated by the agencies referred to in subparagraph (A) or (B).

(3) RULES FOR MODIFICATIONS UNDER PARAGRAPH (1)

(A) APPLICATION A modification under paragraph (1)(E) shall apply to information concerning --

(i) credit score data described in subsection (b)(6)(I), in a manner that is consistent with the purpose described in paragraph (1)(E); and

(ii) age or any other category of data described in paragraph (5) or (6) of subsection (b), as the Bureau determines to be necessary to satisfy the purpose described in paragraph (1)(E), and in a manner consistent with that purpose.

(B) STANDARDS The Bureau shall prescribe standards for any modification under paragraph (1)(E) to effectuate the purposes of this title, in light of the privacy interests of mortgage applicants or mortgagors. Where necessary to protect the privacy interests of mortgage applicants or mortgagors, the Bureau shall provide for the disclosure of information described in subparagraph (A) in aggregate or other reasonably modified form, in order to effectuate the purposes of this title.

~~(h) — Submission to agencies—~~

~~The data required to be disclosed under subsection (b)(4) of this section shall be submitted to the appropriate agency for each institution reporting under this chapter. Notwithstanding the requirement of subsection (a)(2)(A) of this section for disclosure by census tract, the Board, in cooperation with other appropriate regulators,~~

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including—

~~(1) the Office of the Comptroller of the Currency for national banks and Federal branches and Federal agencies of foreign banks;~~

~~(2) the Director of the Office of Thrift Supervision for savings associations;~~

~~(3) the Federal Deposit Insurance Corporation for banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System), mutual savings banks, insured State branches of foreign banks, and any other depository institution described in section 2802(2)(A) of this title which is not otherwise referred to in this paragraph;~~

~~(4) the National Credit Union Administration Board for credit unions; and~~

~~(5) the Secretary of Housing and Urban Development for other lending institutions not regulated by the agencies referred to in paragraphs (1) through (4), shall develop regulations prescribing the format for such disclosures, the method for submission of the data to the appropriate regulatory agency, and the procedures for disclosing the information to the public. These regulations shall also require the collection of data required to be disclosed under subsection (b)(4) of this section with respect to loans sold by each institution reporting under this chapter, and, in addition, shall require disclosure of the class of the purchaser of such loans. Any reporting institution may submit in writing to the appropriate agency such additional data or explanations as it deems relevant to the decision to originate or purchase mortgage loans.~~

(i) Exemption from certain disclosure requirements

The requirements of subsections (b)(4), (b)(5), and (b)(6) ~~subsection (b)(4)~~ of this section shall not apply with respect to any depository institution described in section 2802(2)(A) of this title which has total assets, as of the most recent full fiscal year of such institution, of \$30,000,000 or less.

(j) Loan application register information

(1) In general

In addition to the information required to be disclosed under subsections (a) and (b) of this section, any depository institution which is required to make disclosures under this section shall make available to the public, upon request, loan application register information (as defined by the Bureau ~~Board~~ by regulation) in the form required under regulations prescribed by the Bureau ~~Board~~.

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(2) Format of disclosure

(A) Unedited format

Subject to subparagraph (B), the loan application register information described in paragraph (1) may be disclosed by a depository institution without editing or compilation and in such formats as the Bureau may require in the format in which such information is maintained by the institution.

(B) Protection of applicant's privacy interest

The Bureau Board shall require, by regulation, such deletions as the Bureau Board may determine to be appropriate to protect --

(i) any privacy interest of any applicant, including the deletion of the applicant's name and identification number, the date of the application, and the date of any determination by the institution with respect to such application; and

(ii) a depository institution from liability under any Federal or State privacy law.

(C) Census tract format encouraged

It is the sense of the Congress that a depository institution should provide loan register information under this section in a format based on the census tract in which the property is located.

(3) CHANGE OF FORM NOT REQUIRED A depository institution meets the disclosure requirement of paragraph (1) if the institution provides the information required under such paragraph in such formats as the Bureau may require. (3) Change of form not required

~~A depository institution meets the disclosure requirement of paragraph (1) if the institution provides the information required under such paragraph in the form in which the institution maintains such information.~~

(4) Reasonable charge for information

Any depository institution which provides information under this subsection may impose a reasonable fee for any cost incurred in reproducing such information.

(5) Time of disclosure

The disclosure of the loan application register information described in paragraph (1) for any year pursuant to a request under paragraph (1) shall be made --

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(A) in the case of a request made on or before March 1 of the succeeding year, before April 1 of the succeeding year; and

(B) in the case of a request made after March 1 of the succeeding year, before the end of the 30-day period beginning on the date the request is made.

(6) Retention of information

Notwithstanding subsection (c) of this section, the loan application register information described in paragraph (1) for any year shall be maintained and made available, upon request, for 3 years after the close of the 1st year during which such information is required to be maintained and made available.

(7) Minimizing compliance costs

In prescribing regulations under this subsection, the Bureau Board shall make every effort to minimize the costs incurred by a depository institution in complying with this subsection and such regulations.

(k) Disclosure of statements by depository institutions

(1) In general

In accordance with procedures established by the Bureau Board pursuant to this section, any depository institution required to make disclosures under this section --

(A) shall make a disclosure statement available, upon request, to the public no later than 3 business days after the institution receives the statement from the Federal Financial Institutions Examination Council; and

(B) may make such statement available on a floppy disc which may be used with a personal computer or in any other media which is not prohibited under regulations prescribed by the Bureau Board.

(2) Notice that data is subject to correction after final review

Any disclosure statement provided pursuant to paragraph (1) shall be accompanied by a clear and conspicuous notice that the statement is subject to final review and revision, if necessary.

(3) Reasonable charge for information

Any depository institution which provides a disclosure statement pursuant to paragraph (1) may impose a reasonable fee for any cost incurred in providing or

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reproducing such statement.

(l) Prompt disclosures

(1) In general

Any disclosure of information pursuant to this section or section 310 [12 U.S.C.A. § 2809] shall be made as promptly as possible.

(2) Maximum disclosure period

(A) 6- and 9-month maximum periods

Except as provided in subsections (j)(5) and (k)(1) of this section and regulations prescribed by the Bureau Board and subject to subparagraph (B), any information required to be disclosed for any year beginning after December 31, 1992, under --

(i) this section shall be made available to the public before September 1 of the succeeding year; and

(ii) section 2809 of this title shall be made available to the public before December 1 of the succeeding year.

(B) Shorter periods encouraged after 1994

With respect to disclosures of information under this section or section 2809 of this title for any year beginning after December 31, 1993, every effort shall be made --

(i) to make information disclosed under this section available to the public before July 1 of the succeeding year; and

(ii) to make information required to be disclosed under section 2809 of this title available to the public before September 1 of the succeeding year.

(3) Improved procedure

The Federal Financial Institutions Examination Council shall make such changes in the system established pursuant to subsection (f) of this section as may be necessary to carry out the requirements of this subsection.

(m) Opportunity to reduce compliance burden

(1) In general

(A) Satisfaction of public availability requirements

A depository institution shall be deemed to have satisfied the public availability

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requirements of subsection (a) of this section if the institution compiles the information required under that subsection at the home office of the institution and provides notice at the branch locations specified in subsection (a) of this section that such information is available from the home office of the institution upon written request.

(B) Provision of information upon request

Not later than 15 days after the receipt of a written request for any information required to be compiled under subsection (a) of this section, the home office of the depository institution receiving the request shall provide the information pertinent to the location of the branch in question to the person requesting the information.

(2) FORM OF INFORMATION In complying with paragraph (1), a depository institution shall provide the person requesting the information with a copy of the information requested in such formats as the Bureau may require. ~~(2) Form of information~~

~~In complying with paragraph (1), a depository institution shall, in the sole discretion of the institution, provide the person requesting the information with—~~

~~(A) a paper copy of the information requested; or~~

~~(B) if acceptable to the person, the information through a form of electronic medium, such as a computer disk.~~

(n) TIMING OF CERTAIN DISCLOSURES The data required to be disclosed under subsection (b) shall be submitted to the Bureau or to the appropriate agency for any institution reporting under this title, in accordance with regulations prescribed by the Bureau. Institutions shall not be required to report new data under paragraph (5) or (6) of subsection (b) before the first January 1 that occurs after the end of the 9-month period beginning on the date on which regulations are issued by the Bureau in final form with respect to such disclosures.

HMDA 12 USC § 2804 Enforcement

Reference

[Changes effective on a date as designated under 12 USC 5582 (Dodd-Frank) that will be not earlier than 180 days, nor later than 12 months, after the date of enactment of this Act (Dodd-Frank), unless specified in 12 USC 5582 (Dodd-Frank)]

(a) Regulations

The ~~Bureau Board~~ shall prescribe such regulations as may be necessary to carry out the purposes of this chapter. These regulations may contain such classifications, differentiations, or other provisions, and may provide for such adjustments and exceptions for any class of transactions, as in the judgment of the ~~Bureau Board~~ are necessary and proper to effectuate the purposes of this chapter, and prevent circumvention or evasion thereof, or to facilitate compliance therewith.

(b) POWERS OF CERTAIN OTHER AGENCIES

(1) IN GENERAL Subject to subtitle B of the Consumer Financial Protection Act of 2010, compliance with the requirements of this title shall be enforced --

(A) under section 8 of the Federal Deposit Insurance Act, the appropriate Federal banking agency, as defined in section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q)), with respect to --

(i) any national bank or Federal savings association, and any Federal branch or Federal agency of a foreign bank;

(ii) any member bank of the Federal Reserve System (other than a national bank), branch or agency of a foreign bank (other than a Federal branch, Federal agency, and insured State branch of a foreign bank), commercial lending company owned or controlled by a foreign bank, and any organization operating under section 25 or 25A of the Federal Reserve Act; and

(iii) any bank or State savings association insured by the Federal Deposit Insurance Corporation (other than a member of the Federal Reserve System), any mutual savings bank as, defined in section 3(f) of the Federal Deposit Insurance Act (12 U.S.C. 1813(f)), any insured State branch of a foreign bank, and any other depository institution not referred to in this paragraph or subparagraph (B) or (C);

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(B) under subtitle E of the Consumer Financial Protection Act of 2010, by the Bureau, with respect to any person subject to this subtitle;

(C) under the Federal Credit Union Act, by the Administrator of the National Credit Union Administration with respect to any insured credit union; and

(D) with respect to other lending institutions, by the Secretary of Housing and Urban Development.

(2) INCORPORATED DEFINITIONS The terms used in paragraph (1) that are not defined in this title or otherwise defined in section 3(s) of the Federal Deposit Insurance Act (12 U.S.C. 1813(s)) shall have the same meanings as in section 1(b) of the International Banking Act of 1978 (12 U.S.C. 3101).

~~(b) — Powers of certain other agencies~~

~~Compliance with the requirements imposed under this chapter shall be enforced under —~~

~~(1) — section 1818 of this title, in the case of —~~

~~(A) — national banks, and Federal branches and Federal agencies of foreign banks, by the Office of the Comptroller of the Currency;~~

~~(B) — member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25(a) of the Federal Reserve Act [12 U.S.C.A. §§ 601 et seq., 611 et seq.], by the Board; and~~

~~(C) — banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System), mutual savings banks as defined in section 1813(f) of this title, insured State branches of foreign banks, and any other depository institution not referred to in this paragraph or paragraph (2) or (3) of this subsection, by the Board of Directors of the Federal Deposit Insurance Corporation;~~

~~(2) — section 1818 of this title, by the Director of the Office of Thrift Supervision, in the case of a savings association the deposits of which are insured by the Federal Deposit Insurance Corporation;~~

~~(3) — the Federal Credit Union Act [12 U.S.C.A. § 1751 et seq.], by the Administrator of the National Credit Union Administration with respect to any credit union; and~~

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~~(4) — other lending institutions, by the Secretary of Housing and Urban Development.~~

~~The terms used in paragraph (1) that are not defined in this chapter or otherwise defined in section 1813(s) of this title shall have the meaning given to them in section 3101 of this title.~~

(c) Violations of this chapter deemed violations of certain other provisions

For the purpose of the exercise by any agency referred to in subsection (b) of this section of its powers under any Act referred to in that subsection, a violation of any requirement imposed under this chapter shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (b) of this section, each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under this chapter, any other authority conferred on it by law.

(d) OVERALL ENFORCEMENT AUTHORITY OF THE BUREAU OF CONSUMER FINANCIAL PROTECTION Subject to subtitle B of the Consumer Financial Protection Act of 2010, enforcement of the requirements imposed under this title is committed to each of the agencies under subsection (b). To facilitate research, examinations, and enforcement, all data collected pursuant to section 304 shall be available to the entities listed under subsection (b). The Bureau may exercise its authorities under the Consumer Financial Protection Act of 2010 to exercise principal authority to examine and enforce compliance by any person with the requirements of this title.

HMDA 12 USC § 2805 Relation to State laws

Reference

[Changes effective on a date as designated under 12 USC 5582 (Dodd-Frank) that will be not earlier than 180 days, nor later than 12 months, after the date of enactment of this Act (Dodd-Frank), unless specified in 12 USC 5582 (Dodd-Frank)]

(a) This chapter does not annul, alter, or affect, or exempt any State chartered depository institution subject to the provisions of this chapter from complying with the laws of any State or subdivision thereof with respect to public disclosure and recordkeeping by depositor institutions, except to the extent that those laws are inconsistent with any provision of this chapter, and then only to the extent of the inconsistency. The Bureau Board is authorized to determine whether such inconsistencies exist. The Bureau Board may not determine that any such law is inconsistent with any provision of this chapter if the Bureau Board determines that such law requires the maintenance of records with greater geographic or other detail than is required under this chapter, or that such law otherwise provides greater disclosure than is required under this chapter.

(b) EXEMPTION AUTHORITY The Bureau may, by regulation, exempt from the requirements of this title any State-chartered depository institution within any State or subdivision thereof, if the agency determines that, under the law of such State or subdivision, that institution is subject to requirements that are substantially similar to those imposed under this title, and that such law contains adequate provisions for enforcement. Notwithstanding any other provision of this subsection, compliance with the requirements imposed under this subsection shall be enforced by the Office of the Comptroller of the Currency under section 8 of the Federal Deposit Insurance Act, in the case of national banks and Federal savings associations, the deposits of which are insured by the Federal Deposit Insurance Corporation.

~~(b) — The Bureau Board may by regulation exempt from the requirements of this chapter any State chartered depository institution within any State or subdivision thereof if it determines that, under the law of such State or subdivision, that institution is subject to requirements substantially similar to those imposed under this chapter, and that such law contains adequate provisions for enforcement. Notwithstanding any other provision of this subsection, compliance with the requirements imposed under this subsection shall be enforced under —~~

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~~(1) section 1818 of this title in the case of national banks, by the Comptroller of the Currency; and~~

~~(2) section 1818 of this title, by the Director of the Office of Thrift Supervision in the case of a savings association the deposits of which are insured by the Federal Deposit Insurance Corporation.~~

HMDA 12 USC § 2806 Compliance improvement methods ~~Research and improved methods; authorization of appropriations; recommendations to Congressional committees~~

Reference

(a) IN GENERAL

(1) CONSULTATION REQUIRED *The Director of the Bureau of Consumer Financial Protection, with the assistance of the Secretary, the Director of the Bureau of the Census, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and such other persons as the Bureau deems appropriate, shall develop or assist in the improvement of, methods of matching addresses and census tracts to facilitate compliance by depository institutions in as economical a manner as possible with the requirements of this title.*

(2) AUTHORIZATION OF APPROPRIATIONS *There are authorized to be appropriated, such sums as may be necessary to carry out this subsection.*

(3) CONTRACTING AUTHORITY *The Director of the Bureau of Consumer Financial Protection is authorized to utilize, contract with, act through, or compensate any person or agency in order to carry out this subsection.*

(b) RECOMMENDATIONS TO CONGRESS *The Director of the Bureau of Consumer Financial Protection shall recommend to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives, such additional legislation as the Director of the Bureau of Consumer Financial Protection deems appropriate to carry out the purpose of this title.*

~~(a) — (1) — The Director of the Office of Thrift Supervision, with the assistance of the Secretary, the Director of the Bureau of the Census, the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and such other persons as the Director of the Office of Thrift Supervision deems appropriate, shall develop, or assist in the improvement of, methods of matching addresses and census tracts to facilitate compliance by depository institutions in as economical a manner as possible with the requirements of this chapter.~~

~~(2) — There is authorized to be appropriated such sums as may be necessary to carry out this subsection.~~

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~~(3) — The Director of the Office of Thrift Supervision is authorized to utilize, contract with, act through, or compensate any person or agency in order to carry out this subsection.~~

~~(b) — The Director of the Office of Thrift Supervision shall recommend to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate such additional legislation as the Director of the Office of Thrift Supervision deems appropriate to carry out the purpose of this chapter.~~

HMDA 12 USC § 2807 Report

Reference

[Changes effective on a date as designated under 12 USC 5582 (Dodd-Frank) that will be not earlier than 180 days, nor later than 12 months, after the date of enactment of this Act (Dodd-Frank), unless specified in 12 USC 5582 (Dodd-Frank)]

The Bureau Board, in consultation with the Secretary of Housing and Urban Development, shall report annually to the Congress on the utility of the requirements of section 2803(b)(4) of this title.

HMDA 12 USC § 2808 Effective date

Reference

[Changes effective on a date as designated under 12 USC 5582 (Dodd-Frank) that will be not earlier than 180 days, nor later than 12 months, after the date of enactment of this Act (Dodd-Frank), unless specified in 12 USC 5582 (Dodd-Frank)]

(a) In general. This chapter shall take effect on the one hundred and eightieth day beginning after December 31, 1975. Any institution specified in section 2802(2)(A) of this title which has total assets as of its last full fiscal year of \$10,000,000 [currently \$40,000,000 - next adjustment January 1, 2012] or less is exempt from the provisions of this chapter. The Bureau Board, in consultation with the Secretary, may exempt institutions described in section 2802(2)(B) of this title that are comparable within their respective industries to institutions that are exempt under the preceding sentence (as determined without regard to the adjustment made by subsection (b) of this section).

(b) CPI adjustments.

(1) In general. Subject to paragraph (2), the dollar amount applicable with respect to institutions described in section 2802(2)(A) of this title under the 2d sentence of subsection (a) of this section shall be adjusted annually after December 31, 1996, by the annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers published by the Bureau of Labor Statistics.

(2) 1-time adjustment for prior inflation. The first adjustment made under paragraph (1) after September 30, 1996 shall be the percentage by which:

(A) the Consumer Price Index described in such paragraph for the calendar year 1996, exceeds

(B) such Consumer Price Index for the calendar year 1975.

(3) Rounding. The dollar amount applicable under paragraph (1) for any calendar year shall be the amount determined in accordance with subparagraphs (A) and (B) of paragraph (2) and rounded to the nearest multiple of \$1,000,000.

HMDA 12 USC § 2809 Compilation of aggregate data

Reference

[Changes effective on a date as designated under 12 USC 5582 (Dodd-Frank) that will be not earlier than 180 days, nor later than 12 months, after the date of enactment of this Act (Dodd-Frank), unless specified in 12 USC 5582 (Dodd-Frank)]

(a) Commencement; scope of data and tables

Beginning with data for calendar year 1980, the Federal Financial Institutions Examination Council shall compile each year, for each primary metropolitan statistical area, metropolitan statistical area, or consolidated metropolitan statistical area that is not comprised of designated primary metropolitan statistical areas, aggregate data by census tract for all depository institutions which are required to disclose data under section 2803 of this title or which are exempt pursuant to section 2805(b) of this title. The Council shall also produce tables indicating, for each primary metropolitan statistical area, metropolitan statistical area, or consolidated metropolitan statistical area that is not comprised of designated primary metropolitan statistical areas, aggregate lending patterns for various categories of census tracts grouped according to location, age of housing stock, income level, and racial characteristics.

(b) Staff and data processing resources

The ~~Bureau Board~~ shall provide staff and data processing resources to the Council to enable it to carry out the provisions of subsection (a) of this section.

(c) Availability to public

The data and tables required pursuant to subsection (a) of this section shall be made available to the public by no later than December 31 of the year following the calendar year on which the data is based.

HMDA 12 USC § 2810 Disclosure by Secretary; commencement, scope, etc

Reference

Beginning with data for calendar year 1980, the Secretary shall make publicly available data in the Secretary's possession for each mortgagee which is not otherwise subject to the requirements of this chapter and which is not exempt pursuant to section 2805(b) of this title (and for each mortgagee making mortgage loans exempted under section 2803(g) of this title), with respect to mortgage loans approved (or for which completed applications are received) by the Secretary for insurance under Title I or II of the National Housing Act [12 U.S.C.A. §§ 1702 et seq., 1707 et seq.]. Such data to be disclosed shall consist of data comparable to the data which would be disclosed if such mortgagee were subject to the requirements of section 2803 of this title. Disclosure statements containing data for each such mortgagee for a primary metropolitan statistical area, metropolitan statistical area, or consolidated metropolitan statistical area that is not comprised of designated primary metropolitan statistical areas shall, at a minimum, be publicly available at the central depository of data established pursuant to section 2803(f) of this title for such primary metropolitan statistical area, metropolitan statistical area, or consolidated metropolitan statistical area that is not comprised of designated primary metropolitan statistical areas. The Secretary shall also compile and make publicly available aggregate data for such mortgagees by census tract, and tables indicating aggregate lending patterns, in a manner comparable to the information required to be made publicly available in accordance with section 2809 of this title.

**HMDA 12 USC § 2811 Repealed Pub.L. 100-242, Title V, § 565(b), Feb. 5, 1988, 101
Stat. 1945**

[Reference](#)

Regulation C

CODE OF FEDERAL REGULATIONS

TITLE 12--BANKS AND BANKING

CHAPTER II--FEDERAL RESERVE SYSTEM

SUBCHAPTER A--BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

PART 203--HOME MORTGAGE DISCLOSURE

Reg C 12 CFR § 203.1 Authority, scope and purpose

Reference

[Effective for data collected until January 1, 2004 -- see below for version effective for data collected after January 1, 2004]

(a) Authority. This regulation is issued by the Board of Governors of the Federal Reserve System ("Board") pursuant to the Home Mortgage Disclosure Act (12 U.S.C. 2801 et seq.), as amended. The information-collection requirements have been approved by the U.S. Office of Management and Budget under 44 U.S.C. 3501 et seq. and have been assigned OMB Numbers 1557-0159, 3064-0046, 1550-0021, and 7100-0247 for institutions reporting data to the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, and the Federal Reserve System, respectively; numbers for the National Credit Union Administration and the Department of Housing and Urban Development are pending.

(b) Purpose.

(1) This regulation implements the Home Mortgage Disclosure Act, which is intended to provide the public with loan data that can be used:

(i) To help determine whether financial institutions are serving the housing needs of their communities;

(ii) To assist public officials in distributing public-sector investments so as to attract private investment to areas where it is needed; and

(iii) To assist in identifying possible discriminatory lending patterns and enforcing antidiscrimination statutes.

(2) Neither the act nor this regulation is intended to encourage unsound lending practices or the allocation of credit.

(c) Scope. This regulation applies to certain financial institutions, including banks, saving associations, credit unions, and other mortgage lending institutions, as defined in section 203.2(e). It requires an institution to report data to its supervisory agency about home purchase and home improvement loans it originates or purchases, or for which it receives applications; and to disclose certain data to the public.

(d) Loan aggregation and central data depositories. Using the loan data made available by financial institutions, the Federal Financial Institutions Examination

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Council will prepare disclosure statements and will produce various reports for individual institutions for each metropolitan statistical area (MSA), showing lending patterns by location, age of housing stock, income level, sex, and racial characteristics. The disclosure statements and reports will be available to the public at central data depositories located in each MSA. A listing of central data depositories can be obtained from the Federal Financial Institutions Examination Council, Washington, DC 20006.

[Effective for data collected January 1, 2004 -- see above for version effective for data collected until January 1, 2004]

(a) Authority. This regulation is issued by the Board of Governors of the Federal Reserve System ("Board") pursuant to the Home Mortgage Disclosure Act ("HMDA") (12 U.S.C. 2801 et seq.), as amended. The information-collection requirements have been approved by the U.S. Office of Management and Budget ("OMB") under 44 U.S.C. 3501 et seq. and have been assigned OMB numbers for institutions reporting data to the Office of the Comptroller of the Currency (1557-0159), the Federal Deposit Insurance Corporation (3064-0046), the Office of Thrift Supervision (1550-0021), the Federal Reserve System (7100-0247), and the Department of Housing and Urban Development ("HUD") (2502-0529). A number for the National Credit Union Administration is pending.

(b) Purpose.

(1) This regulation implements the Home Mortgage Disclosure Act, which is intended to provide the public with loan data that can be used:

(i) To help determine whether financial institutions are serving the housing needs of their communities;

(ii) To assist public officials in distributing public-sector investment so as to attract private investment to areas where it is needed; and

(iii) To assist in identifying possible discriminatory lending patterns and enforcing antidiscrimination statutes.

(2) Neither the act nor this regulation is intended to encourage unsound lending practices or the allocation of credit.

(c) Scope. This regulation applies to certain financial institutions, including banks, savings associations, credit unions, and other mortgage lending institutions, as defined in Sec. 203.2(e). The regulation requires an institution to report data to its

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supervisory agency about home purchase loans, home improvement loans, and refinancings that it originates or purchases, or for which it receives applications; and to disclose certain data to the public.

Reg C 12 CFR § 203.2 Definitions

Reference

[Effective for data collected until January 1, 2004 -- see below for version effective for data collected after January 1, 2004]

In this regulation:

- (a) Act means the Home Mortgage Disclosure Act (12 U.S.C. 2801 et seq.), as amended.
- (b) Application means an oral or written request for a home purchase or home improvement loan that is made in accordance with procedures established by a financial institution for the type of credit requested.
- (c) Branch office means:
 - (1) Any office of a bank, savings association, or credit union that is approved as a branch by a federal or state supervisory agency, but excludes free-standing electronic terminals such as automated teller machines;
 - (2) Any office of a mortgage lending institution (other than a bank, savings association, or credit union) that takes applications from the public for home purchase or home improvement loans. A mortgage lending institution is also deemed to have a branch office in an MSA if, in the preceding calendar year, it received applications for, originated, or purchased five or more home purchase or home improvement loans on property located in that MSA.
- (d) Dwelling means a residential structure (whether or not it is attached to real property) located in a state of the United States of America, the District of Columbia, or the Commonwealth of Puerto Rico. The term includes an individual condominium unit, cooperative unit, or mobile or manufactured home.
- (e) Financial institution means:
 - (1) A bank, savings association, or credit union that originated in the preceding calendar year a home purchase loan (other than temporary financing such as a construction loan), including a refinancing of a home purchase loan, secured by a first lien on a one- to four-family dwelling if:
 - (i) The institution is federally insured or regulated; or

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- (ii) The loan is insured, guaranteed, or supplemented by any federal agency; or
- (iii) The institution intended to sell the loan to the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation;
- (2) A for-profit mortgage lending institution (other than a bank, savings association, or credit union) whose home purchase loan originations (including refinancings of home purchase loans) equaled or exceeded ten percent of its loan origination volume, measured in dollars, in the preceding calendar year.
- (f) Home improvement loan means any loan that:
 - (1) Is for the purpose, in whole or in part, of repairing, rehabilitating, remodeling, or improving a dwelling or the real property on which it is located; and
 - (2) Is classified by the financial institution as a home improvement loan.
- (g) Home purchase loan means any loan secured by and made for the purpose of purchasing a dwelling.
- (h) Metropolitan statistical area or MSA means a metropolitan statistical area or a primary metropolitan statistical area, as defined by the U.S. Office of Management and Budget.

[Effective for data collected January 1, 2004 -- see above for version effective for data collected until January 1, 2004]

In this regulation:

- (a) Act means the Home Mortgage Disclosure Act ("HMDA") (12 U.S.C. 2801 et seq.), as amended.
- (b) Application.
 - (1) In general. Application means an oral or written request for a home purchase loan, a home improvement loan, or a refinancing that is made in accordance with procedures used by a financial institution for the type of credit requested.
 - (2) Preapproval programs. A request for preapproval for a home purchase loan is an application under paragraph (b)(1) of this section if the request is reviewed under a program in which the financial institution, after a comprehensive analysis of the creditworthiness of the applicant, issues a written commitment to the applicant valid for a designated period of time to extend a home purchase loan up to a specified amount. The written commitment may not be subject to conditions other than:

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- (i) Conditions that require the identification of a suitable property;
 - (ii) Conditions that require that no material change has occurred in the applicant's financial condition or creditworthiness prior to closing; and
 - (iii) Limited conditions that are not related to the financial condition or creditworthiness of the applicant that the lender ordinarily attaches to a traditional home mortgage application (such as certification of a clear termite inspection).
- (c) Branch office means:
- (1) Any office of a bank, savings association, or credit union that is approved as a branch by a federal or state supervisory agency, but excludes free-standing electronic terminals such as automated teller machines; and
 - (2) Any office of a for-profit mortgage-lending institution (other than a bank, savings association, or credit union) that takes applications from the public for home purchase loans, home improvement loans, or refinancings. A for-profit mortgage-lending institution is also deemed to have a branch office in a MSA or in a Metropolitan Division if, in the preceding calendar year, it received applications for, originated, or purchased five or more home purchase loans, home improvement loans, or refinancings related to property located in that MSA or Metropolitan Division, respectively.
- (d) Dwelling means a residential structure (whether or not attached to real property) located in a state of the United States of America, the District of Columbia, or the Commonwealth of Puerto Rico. The term includes an individual condominium unit, cooperative unit, or mobile or manufactured home.
- (e) Financial institution means:
- (1) A bank, savings association, or credit union that:
 - (i) On the preceding December 31 had assets in excess of the asset threshold established and published annually by the Board for coverage by the act, based on the year-to-year change in the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers, not seasonally adjusted, for each twelve month period ending in November, with rounding to the nearest million;
 - (ii) On the preceding December 31, had a home or branch office in an MSA;
 - (iii) In the preceding calendar year, originated at least one home purchase loan (excluding temporary financing such as a construction loan) or refinancing of a home

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purchase loan, secured by a first lien on a one-to four-family dwelling; and

- (iv) Meets one or more of the following three criteria:
 - (A) The institution is federally insured or regulated;
 - (B) The mortgage loan referred to in paragraph (e)(1)(iii) of this section was insured, guaranteed, or supplemented by a federal agency; or
 - (C) The mortgage loan referred to in paragraph (e)(1)(iii) of this section was intended by the institution for sale to Fannie Mae or Freddie Mac; and
- (2) A for-profit mortgage-lending institution (other than a bank, savings association, or credit union) that:
 - (i) In the preceding calendar year, either:
 - (A) Originated home purchase loans, including refinancings of home purchase loans, that equaled at least 10 percent of its loan-origination volume, measured in dollars; or
 - (B) Originated home purchase loans, including refinancings of home purchase loans, that equaled at least \$25 million; and
 - (ii) On the preceding December 31, had a home or branch office in an MSA; and
 - (iii) Either:
 - (A) On the preceding December 31, had total assets of more than \$10 million, counting the assets of any parent corporation; or
 - (B) In the preceding calendar year, originated at least 100 home purchase loans, including refinancings of home purchase loans.
- (f) Home-equity line of credit means an open-end credit plan secured by a dwelling as defined in Regulation Z (Truth in Lending), 12 C.F.R. part 226.
- (g) Home improvement loan means:
 - (1) A loan secured by a lien on a dwelling that is for the purpose, in whole or in part, of repairing, rehabilitating, remodeling, or improving a dwelling or the real property on which it is located; and
 - (2) A non-dwelling secured loan that is for the purpose, in whole or in part, of repairing, rehabilitating, remodeling, or improving a dwelling or the real property on which it is located, and that is classified by the financial institution as a home

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improvement loan.

(h) Home purchase loan means a loan secured by and made for the purpose of purchasing a dwelling.

(i) Manufactured home means any residential structure as defined under regulations of the Department of Housing and Urban Development establishing manufactured home construction and safety standards (24 C.F.R. 3280.2).

(j) (1) Metropolitan Statistical Area or MSA means a metropolitan statistical area as defined by the U.S. Office of Management and Budget.

(2) Metropolitan Division or MD means a metropolitan division of an MSA, as defined by the U.S. Office of Management and Budget.

(k) Refinancing means a new obligation that satisfies and replaces an existing obligation by the same borrower, in which:

(1) For coverage purposes, the existing obligation is a home purchase loan (as determined by the lender, for example, by reference to available documents; or as stated by the applicant), and both the existing obligation and the new obligation are secured by first liens on dwellings; and

(2) For reporting purposes, both the existing obligation and the new obligation are secured by liens on dwellings.

Reg C 12 CFR § 203.3 Exempt institutions

Reference

[Effective for data collected until January 1, 2004 -- see below for version effective for data collected after January 1, 2004]

- (a) Exemption based on location, asset size, or number of home purchase loans.
 - (1) A bank, savings association, or credit union is exempt from the requirements of this part for a given calendar year if on the preceding December 31:
 - (i) The institution had neither a home office nor a branch office in an MSA; or
 - (ii) The institution's total assets were at or below the asset threshold established by the Board. The asset threshold was adjusted from \$10 million to \$28 million as of December 31, 1996. For subsequent years, the Board will adjust the threshold based on the year-to-year change in the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers, not seasonally adjusted, for each twelve-month period ending in November, with rounding to the nearest million. The Board will publish any adjustment to the asset figure in December in the staff commentary.
 - (2) A for-profit mortgage lending institution (other than a bank, savings association, or credit union) is exempt from the requirements of this part for a given calendar year if:
 - (i) The institution had neither a home office nor a branch office in an MSA on the preceding December 31; or
 - (ii) The institution's total assets combined with those of any parent corporation were \$10 million or less on the preceding December 31, and the institution originated fewer than 100 home purchase loans (including refinancings of home purchase loans) in the preceding calendar year.
- (b) Exemption based on state law.
 - (1) A state-chartered or state-licensed financial institution is exempt from the requirements of this regulation if the Board determines that the institution is subject to a state disclosure law that contains requirements substantially similar to those imposed by this regulation and contains adequate provisions for enforcement.
 - (2) Any state, state-chartered or state-licensed financial institution, or association of such institutions may apply to the Board for an exemption under this paragraph.

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(3) An institution that is exempt under this paragraph shall submit the data required by the state disclosure law to its state supervisory agency for purposes of aggregation.

(c) Loss of exemption.

(1) An institution losing an exemption that was based on the criteria set forth in paragraph (a) of this section shall comply with this part beginning with the calendar year following the year in which it lost its exemption.

(2) An institution losing an exemption that was based on state law under paragraph (b) of this section shall comply with this regulation beginning with the calendar year following the year for which it last reported loan data under the state disclosure law.

[Effective for data collected January 1, 2004 -- see above for version effective for data collected until January 1, 2004]

(a) Exemption based on state law.

(1) A state-chartered or state-licensed financial institution is exempt from the requirements of this regulation if the Board determines that the institution is subject to a state disclosure law that contains requirements substantially similar to those imposed by this regulation and that contains adequate provisions for enforcement.

(2) Any state, state-chartered or state-licensed financial institution, or association of such institutions, may apply to the Board for an exemption under paragraph (a) of this section.

(3) An institution that is exempt under paragraph (a) of this section shall use the disclosure form required by its state law and shall submit the data required by that law to its state supervisory agency for purposes of aggregation.

(b) Loss of exemption. An institution losing a state-law exemption under paragraph (a) of this section shall comply with this regulation beginning with the calendar year following the year for which it last reported loan data under the state disclosure law.

Reg C 12 CFR § 203.4 Compilation of loan data

Reference

[Effective for data collected until January 1, 2004 -- see below for version effective for data collected after January 1, 2004]

(a) Data format and itemization. A financial institution shall collect data regarding applications for, and originations and purchases of, home purchase and home improvement loans (including refinancings of both) for each calendar year. These transactions shall be recorded, within thirty calendar days after the end of each calendar quarter in which final action is taken (such as origination or purchase of a loan, or denial or withdrawal of an application), on a register in the format prescribed in Appendix A of this part and shall include the following items:

- (1) A number for the loan or loan application, and the date the application was received.
- (2) The type and purpose of the loan.
- (3) The owner-occupancy status of the property to which the loan relates.
- (4) The amount of the loan or application.
- (5) The type of action taken, and the date.
- (6) The location of the property to which the loan relates, by MSA, state, county, and census tract, if the institution has a home or a branch office in that MSA.
- (7) The race or national origin and sex of the applicant or borrower, and the gross annual income relied upon in processing the application.
- (8) The type of entity purchasing a loan that the institution originates or purchases and then sells within the same calendar year.

(b) Collection of data on race or national origin, sex, and income.

(1) A financial institution shall collect data about the race or national origin and sex of the applicant or borrower as prescribed in Appendix B. If the applicant or borrower chooses not to provide the information, the lender shall note the data on the basis of visual observation or surname, to the extent possible.

(2) Race or national origin, sex, and income data may but need not be collected for:

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- (i) Loans purchased by the financial institution; or
- (ii) Applications received or loans originated by a bank, savings association, or credit union with assets on the preceding December 31 of \$30 million or less.
- (c) Optional data. A financial institution may report the reasons it denied a loan application.
- (d) Excluded data. A financial institution shall not report:
 - (1) Loans originated or purchased by the financial institution acting in a fiduciary capacity (such as trustee);
 - (2) Loans on unimproved land;
 - (3) Temporary financing (such as bridge or construction loans);
 - (4) The purchase of an interest in a pool of loans (such as mortgage-participation certificates); or
 - (5) The purchase solely of the right to service loans.
- (e) Data reporting under CRA for banks and savings associations with total assets of \$250 million or more and banks and savings associations that are subsidiaries of a holding company whose total banking and thrift assets are \$1 billion or more. As required by agency regulations that implement the Community Reinvestment Act, banks and savings associations that had total assets of \$250 million or more (or are subsidiaries of a holding company with total banking and thrift assets of \$1 billion or more) as of December 31 for each of the immediately preceding two years, shall also collect the location of property located outside the MSAs in which the institution has a home or branch office, or outside any MSAs.

[Effective for data collected January 1, 2004 -- see above for version effective for data collected until January 1, 2004]

- (a) Data format and itemization. A financial institution shall collect data regarding applications for, and originations and purchases of, home purchase loans, home improvement loans, and refinancings for each calendar year. An institution is required to collect data regarding requests under a preapproval program (as defined in Sec. 203.2(b)) only if the preapproval request is denied or results in the origination of a home purchase loan. All reportable transactions shall be recorded, within thirty calendar days after the end of the calendar quarter in which final action is taken (such as origination or purchase of a loan, or denial or withdrawal of an application),

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on a register in the format prescribed in Appendix A of this part. The data recorded shall include the following items:

- (1) An identifying number for the loan or loan application, and the date the application was received.
- (2) The type of loan or application.
- (3) The purpose of the loan or application.
- (4) Whether the application is a request for preapproval and whether it resulted in a denial or in an origination.
- (5) The property type to which the loan or application relates.
- (6) The owner-occupancy status of the property to which the loan or application relates.
- (7) The amount of the loan or the amount applied for.
- (8) The type of action taken, and the date.
- (9) The location of the property to which the loan or application relates, by MSA or by Metropolitan Division, by state, by county, and by census tract, if the institution has a home or branch office in that MSA or Metropolitan Division.
- (10) The ethnicity, race, and sex of the applicant or borrower, and the gross annual income relied on in processing the application.
- (11) The type of entity purchasing a loan that the institution originates or purchases and then sells within the same calendar year (this information need not be included in quarterly updates).
- (12) [Effective for all applications upon which final action is taken on or after January 1, 2004] For originated loans subject to Regulation Z, 12 C.F.R. part 226, the difference between the loan's annual percentage rate (APR) and the yield on Treasury securities having comparable periods of maturity, if that difference is equal to or greater than 3 percentage points for loans secured by a first lien on a dwelling, or equal to or greater than 5 percentage points for loans secured by a subordinate lien on a dwelling. The lender shall use the yield on Treasury securities as of the 15th day of the preceding month if the rate is set between the 1st and the 14th day of the month and as of the 15th day of the current month if the rate is set on or after the 15th day, as prescribed in appendix A to this part.

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- (13) Whether the loan is subject to the Home Ownership and Equity Protection Act of 1994.
- (14) [Effective for all applications upon which final action is taken on or after January 1, 2004] The lien status of the loan or application (first lien, subordinate lien, or not secured by a lien on a dwelling).
- (b) Collection of data on ethnicity, race, sex, and income.
- (1) A financial institution shall collect data about the ethnicity, race, and sex of the applicant or borrower as prescribed in Appendix B of this part.
- (2) Ethnicity, race, sex, and income data may but need not be collected for loans purchased by the financial institution.
- (c) Optional data. A financial institution may report:
- (1) The reasons it denied a loan application;
- (2) Requests for preapproval that are approved by the institution but not accepted by the applicant; and
- (3) Home-equity lines of credit made in whole or in part for the purpose of home improvement or home purchase.
- (d) Excluded data. A financial institution shall not report:
- (1) Loans originated or purchased by the financial institution acting in a fiduciary capacity (such as trustee);
- (2) Loans on unimproved land;
- (3) Temporary financing (such as bridge or construction loans);
- (4) The purchase of an interest in a pool of loans (such as mortgage-participation certificates, mortgage-backed securities, or real estate mortgage investment conduits);
- (5) The purchase solely of the right to service loans; or
- (6) Loans acquired as part of a merger or acquisition, or as part of the acquisition of all of the assets and liabilities of a branch office as defined in Sec. 203.2(c)(1).
- (e) Data reporting for banks and savings associations that are required to report data on small business, small farm, and community development lending under CRA.

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Banks and savings associations that are required to report data on small business, small farm, and community development lending under regulations that implement the Community Reinvestment Act of 1977 (12 U.S.C. 2901 et seq.) shall also collect the location of property located outside MSAs and Metropolitan Divisions areas in which the institution has a home or branch office, or outside any MSAs.

Reg C 12 CFR § 203.5 Disclosure and reporting

Reference

[Effective for data collected until January 1, 2004 -- see below for version effective for data collected after January 1, 2004]

- (a) Reporting to agency. By March 1 following the calendar year for which the loan data are compiled, a financial institution shall send its complete loan application register to the agency office specified in Appendix A of this part, and shall retain a copy for its records for a period of not less than three years.
- (b) Public disclosure of statement.
 - (1) A financial institution shall make its mortgage loan disclosure statement (to be prepared by the Federal Financial Institutions Examination Council) available to the public at its home office no later than three business days after receiving it from the Examination Council.
 - (2) In addition, a financial institution shall either:
 - (i) Make its disclosure statement available to the public (within ten business days of receiving it) in at least one branch office in each additional MSA where the institution has offices (the disclosure statement need only contain data relating to the MSA where the branch is located); or
 - (ii) Post the address for sending written requests for the disclosure statement in the lobby of each branch office in an MSA where the institution has offices, and mail or deliver a copy of the disclosure statement, within fifteen calendar days of receiving a written request (the disclosure statement need only contain data relating to the MSA for which the request is made). Including the address in the general notice required under paragraph (e) of this section satisfies this requirement.
- (c) Public disclosure of loan application register. A financial institution shall make its loan application register available to the public after modifying it in accordance with appendix A. An institution shall make its modified register available following the calendar year for which the data are compiled, by March 31 for a request received on or before March 1, and within 30 days for a request received after March 1. The modified register need only contain data relating to the MSA for which the request is made.
- (d) Availability of data. A financial institution shall make its modified register

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available to the public for a period of three years and its disclosure statement available for a period of five years. An institution shall make the data available for inspection and copying during the hours the office is normally open to the public for business. It may impose a reasonable fee for any cost incurred in providing or reproducing the data.

(e) Notice of availability. A financial institution shall post a general notice about the availability of its HMDA data in the lobby of its home office and of each branch office located in an MSA. It shall promptly upon request provide the location of the institution's offices where the statement is available for inspection and copying, or it may include the location in the notice.

[Effective for data collected January 1, 2004 -- see above for version effective for data collected until January 1, 2004]

(a) Reporting to agency.

(1) By March 1 following the calendar year for which the loan data are compiled, a financial institution shall send its complete loan/application register to the agency office specified in Appendix A of this part. The institution shall retain a copy for its records for at least three years.

(2) A subsidiary of a bank or savings association shall complete a separate loan/application register. The subsidiary shall submit the register, directly or through its parent, to the agency that supervises its parent.

(b) Public disclosure of statement.

(1) The Federal Financial Institutions Examination Council ("FFIEC") will prepare a disclosure statement from the data each financial institution submits.

(2) An institution shall make its disclosure statement (prepared by the FFIEC) available to the public at its home office no later than three business days after receiving it from the FFIEC.

(3) In addition, an institution shall either:

(i) Make its disclosure statement available to the public, within ten business days of receiving it, in at least one branch office in each other MSA and each other Metropolitan Division where the institution has offices (the disclosure statement need only contain data relating to the MSA or Metropolitan Division where the branch is located); or

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(ii) Post the address for sending written requests in the lobby of each branch office in other MSAs and Metropolitan Divisions where the institution has offices; and mail or deliver a copy of the disclosure statement within fifteen calendar days of receiving a written request (the disclosure statement need only contain data relating to the MSA or Metropolitan Division for which the request is made). Including the address in the general notice required under paragraph (e) of this section satisfies this requirement.

(c) Public disclosure of modified loan/application register. A financial institution shall make its loan/application register available to the public after removing the following information regarding each entry: the application or loan number, the date that the application was received, and the date action was taken. An institution shall make its modified register available following the calendar year for which the data are compiled, by March 31 for a request received on or before March 1, and within thirty calendar days for a request received after March 1. The modified register need only contain data relating to the MSA or Metropolitan Division for which the request is made.

(d) Availability of data. A financial institution shall make its modified register available to the public for a period of three years and its disclosure statement available for a period of five years. An institution shall make the data available for inspection and copying during the hours the office is normally open to the public for business. It may impose a reasonable fee for any cost incurred in providing or reproducing the data.

(e) Notice of availability. A financial institution shall post a general notice about the availability of its HMDA data in the lobby of its home office and of each branch office located in an MSA and Metropolitan Division. An institution shall provide promptly upon request the location of the institution's offices where the statement is available for inspection and copying, or it may include the location in the lobby notice.

(f) Loan aggregation and central data depositories. Using the loan data submitted by financial institutions, the FFIEC will produce reports for individual institutions and reports of aggregate data for each MSA and Metropolitan Division, showing lending patterns by property location, age of housing stock, and income level, sex, ethnicity, and race. These reports will be available to the public at central data depositories located in each MSA and Metropolitan Division. A listing of central data depositories can be obtained from the Federal Financial Institutions Examination Council, Washington, D.C. 20006.

Reg C 12 CFR § 203.6 Enforcement

Reference

[Effective for data collected until January 1, 2004 -- see below for version effective for data collected after January 1, 2004]

(a) Administrative enforcement. A violation of the act or this regulation is subject to administrative sanctions as provided in section 305 of the act, including the imposition of civil money penalties, where applicable. Compliance is enforced by the agencies listed in Appendix A of this regulation.

(b) Bona fide errors. An error in compiling or recording loan data is not a violation of the act or this regulation if it was unintentional and occurred despite the maintenance of procedures reasonably adapted to avoid such errors.

[Effective for data collected January 1, 2004 -- see above for version effective for data collected until January 1, 2004]

(a) Administrative enforcement. A violation of the Act or this regulation is subject to administrative sanctions as provided in section 305 of the Act, including the imposition of civil money penalties, where applicable. Compliance is enforced by the agencies listed in section 305(b) of the Act (12 U.S.C. 2804(b)).

(b) Bona fide errors.

(1) An error in compiling or recording loan data is not a violation of the act or this regulation if the error was unintentional and occurred despite the maintenance of procedures reasonably adapted to avoid such errors.

(2) An incorrect entry for a census tract number is deemed a bona fide error, and is not a violation of the act or this regulation, provided that the institution maintains procedures reasonably adapted to avoid such errors.

(3) If an institution makes a good-faith effort to record all data concerning covered transactions fully and accurately within thirty calendar days after the end of each calendar quarter, and some data are nevertheless inaccurate or incomplete, the error or omission is not a violation of the act or this regulation provided that the institution corrects or completes the information prior to submitting the loan/application register to its regulatory agency.

**Reg C APPENDIX A TO PART 203 FORM AND INSTRUCTIONS FOR
COMPLETION OF HMDA LOAN/APPLICATION REGISTER**

[Reference](#)

[Effective for data collected until January 1, 2004 -- see below for version
effective for data collected after January 1, 2004]

Paperwork Reduction Act Notice

This report is required by law (12 U.S.C. 2801-2810 and 12 C.F.R. part 203). An agency may not conduct or sponsor, and an organization is not required to respond to, a collection of information unless it displays a currently valid OMB Control Number. The OMB Control Numbers for this information collection are 1557-0159, 3064-0046, 1550-0021, and 7100-0247 for institutions reporting data to the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, and the Federal Reserve System, respectively; numbers for the National Credit Union Administration and the Department of Housing and Urban Development are pending. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to the respective agencies and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

I. Who Must File a Report

A. Depository Institutions

1. Subject to the exception discussed below, banks, savings associations, and credit unions must complete a register listing data about loan applications received, loans originated, and loans purchased if on the preceding December 31 an institution:

a. Had assets of more than the asset threshold for coverage as published by the Board each year in December, and

b. Had a home or a branch office in a "metropolitan statistical area" or a "primary metropolitan statistical area" (both are referred to in these instructions by the term "MSA").

2. The asset threshold was adjusted from \$10 million to \$28 million as of December 31, 1996. Any adjustment to the asset threshold for depository institutions will be published by the Board in December in the staff commentary.

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3. Example. If on December 31 you had a home or branch office in an MSA and your assets exceeded the asset threshold, you must complete a register that lists the home-purchase and home-improvement loans that you originate or purchase (and also lists applications that did not result in an origination) beginning January 1.

B. Depository Institutions -- Exception

You need not complete a register -- even if you meet the tests for asset size and location -- if your institution is a bank, savings association, or credit union that made no first-lien home purchase loans (including refinancings) on one-to-four-family dwellings in the preceding calendar year. This exception does not apply in the case of nondepository institutions.

C. Other Lending Institutions

Subject to the exception discussed below, for-profit mortgage lending institutions (other than banks, savings associations, and credit unions) must complete a register listing data about loan applications received, loans originated, and loans purchased if the institution had a home or branch office in an MSA on the preceding December 31, and

1. Had assets of more than \$10 million (based on the combined assets of the institution and any parent corporation) on the preceding December 31, or
2. Originated 100 or more home purchase loans (including refinancings of such loans) during the preceding calendar year, regardless of asset size.

D. Other Lending Institutions -- Exception

You need not complete a register -- even if you meet the tests for location and asset size or number of home purchase loans -- if your institution is a for-profit mortgage lender (other than a bank, savings association, or credit union) and home purchase loans that you originated in the preceding calendar year (including refinancings) came to less than 10 percent of your total loan origination volume, measured in dollars.

E. If you are the subsidiary of a bank or savings association you must complete a separate register for your institution. You will submit the register, directly or through your parent, to the agency that supervises your parent. (See paragraph VI.)

F. Institutions that are specifically exempted by the Federal Reserve Board from complying with the federal Home Mortgage Disclosure Act because they are

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covered by a similar state law on mortgage loan disclosures must use the disclosure form required by their state law and submit the data to their state supervisory agency.

II. Required Format and Reporting Procedures

A. Institutions must submit data to their supervisory agencies in an automated, machine-readable form. The format must conform exactly to that of form FR HMDA-LAR, including the order of columns, column headings, etc. Contact your federal supervisory agency for information regarding procedures and technical specifications for automated data submission; in some cases, agencies also make software for automated data submission available to institutions. The data must be edited before submission, using the edits included in the agency-supplied software or equivalent edits in software available from vendors or developed in-house. (Institutions that report 25 or fewer entries on their HMDA-LAR may collect and report the data in paper form. An institution that submits its register in nonautomated form must send two copies that are typed or computer printed, and must use the format of form FR HMDA-LAR (but need not use the form itself). Each page must be numbered, and the total number of pages must be given (for example, "Page 1 of 3").)

B. The required data are to be entered in the register for each loan origination, each application acted on, and each loan purchased during the calendar year. Your institution should decide on the procedure it wants to follow -- for example, whether to begin entering the required data when an application is received, or to wait until final action is taken (such as when a loan goes to closing or an application is denied). Keep in mind that an application is to be reported in the calendar year when final action is taken. Report loan originations in the year they go to closing; if an application has been approved but has not yet gone to closing at year-end, report it the following year.

C. Your institution may collect the data on separate registers at different branches, or on separate registers for different loan types (such as for home purchase or home improvement loans, or for loans on multifamily dwellings). But make sure the application or loan numbers (discussed under paragraph V.A.1., below) are unique.

D. Entries need not be grouped on your register by MSA, or chronologically, or by census tract numbers, or in any other particular order.

E. Applications and loans must be recorded on your register within thirty calendar days after the end of the calendar quarter in which final action (such as

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origination or purchase of a loan, or denial or withdrawal of an application) is taken. The type of purchaser for loans sold need not be included in these quarterly updates.

III. Submission of HMDA-LAR and Public Release of Data

A. You must submit the data for your institution to the office specified by your supervisory agency no later than March 1 following the calendar year for which the data are compiled. A list of the agencies appears at the end of these instructions.

B. You must submit all required data to your supervisory agency *in one complete package*, with the prescribed transmittal sheet. An officer of your institution must certify to the accuracy of the data. Any additional data submissions that become necessary (for example, because you discover that data were omitted from the initial submission, or because revisions are called for) also must be accompanied by a transmittal sheet.

C. The transmittal sheet must state the total number of line entries contained in the accompanying data submission. If the data submission involves revisions or deletions of previously submitted data, state the total of all line entries contained in that submission, including both those representing revisions or deletions of previously submitted entries, and those that are being resubmitted unchanged or are being submitted for the first time. If you are a depository institution, you also are asked to provide a list of the MSAs where you have a home or branch office.

D. *Availability of disclosure statement.* 1. The Federal Financial Institutions Examination Council (FFIEC) will prepare a disclosure statement from the data you submit. Your disclosure statement will be returned to the name and address indicated on the transmittal sheet. Within three business days of receiving the disclosure statement, you must make a copy available at your home office for inspection by the public. For these purposes a business day is any calendar day other than a Saturday, Sunday, or legal public holiday. You also must either:

a. Make your disclosure statement available to the public, within ten business days of receiving it from the FFIEC, in at least one branch office in each additional MSA where you have offices (the disclosure statement need only contain data relating to properties in the MSA where the branch office is located); or

b. Post in the lobby of each branch office in an MSA the address where a written request for the disclosure statement may be sent, and mail or deliver a copy of the statement to any person requesting it, within fifteen calendar days of receiving a written request. The disclosure statement need only contain data relating

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to the MSA for which the request is made.

2. You may make the disclosure statement available in paper form or, if the person requesting the data agrees, in automated form (such as by PC diskette or computer tape).

E. *Availability of modified loan application register.*

1. To protect the privacy of applicants and borrowers, an institution must modify its loan application register by removing the following information before releasing it to the public: the application or loan number, date application received, and date of action taken.

2. You may make the modified register available in paper or automated form (such as by PC diskette or computer tape). Although you are not required to make the modified loan application register available in census-tract order, you are strongly encouraged to do so in order to enhance its utility to users.

3. You must make your modified register available following the calendar year for which the data are compiled, by March 31 for a request received on or before March 1, and within 30 days for a request received after March 1. You are not required to prepare a modified loan application register in advance of receiving a request from the public for this information, but must be able to respond to a request within 30 days. A modified register need only reflect data relating to the MSA for which the request is made.

F. *Posters.*

1. *Suggested language.* Some of the agencies provide HMDA posters that you can use to inform the public of the availability of your HMDA data, or you may create your own posters. If you print your own, the following language is suggested but is not required:

Home Mortgage Disclosure Act Notice

The HMDA data about our residential mortgage lending are available for review. The data show geographic distribution of loans and applications; race, gender, and income of applicants and borrowers; and information about loan approvals and denials. Inquire at this office regarding the locations where HMDA data may be inspected.

2. *Additional language for institutions making the disclosure statement*

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available upon request. For an institution that makes its disclosure statement available upon request instead of at branch offices must post a notice informing the public of the address to which a request should be sent. For example, the institution could include the following sentence in its general notice: "To receive a copy of these data send a written request to [address]."

IV. Types of Loans and Applications Covered and Excluded by HMDA

A. Types of Loans and Applications to be Reported

1. Report the data on home purchase and home improvement loans that you originated (that is, loans that were closed in your name) and loans that you purchased during the calendar year covered by the report. Report these data even if the loans were subsequently sold by your institution. Include refinancings of home purchase and home improvement loans.
2. Report the data for applications for home purchase and home improvement loans that did not result in originations -- for example, applications that your institution denied or that the applicant withdrew during the calendar year covered by the report.
3. In the case of brokered loan applications or applications forwarded to you through a correspondent, report as originations loans that you approved and subsequently acquired according to a pre-closing arrangement (whether or not they closed in your institution's name). Additionally, report the data for all applications that did not result in originations -- for example, applications that your institution denied or that the applicant withdrew during the calendar year covered by the report (whether or not they would have closed in your institution's name). For all of these loans and applications, report the race or national origin, sex, and income information, unless your institution is a bank, savings association, or credit union with assets of \$30 million or less on the preceding December 31.
4. Originations are to be reported only once. If you are the loan broker or correspondent, do not report as originations loans that you forwarded to another lender for approval prior to closing, and that were approved and subsequently acquired by that lender (whether or not they closed in your name).
5. Report applications that were received in the previous calendar year but were acted upon during the calendar year covered by the current register.

B. Data To Be Excluded

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Do not report loans or applications for loans of the following types:

1. Loans that, although secured by real estate, are made for purposes other than home purchase, home improvement, or refinancing (for example, do not report a loan secured by residential real property for purposes of financing college tuition, a vacation, or goods for business inventory).
2. Loans made in a fiduciary capacity (for example, by your trust department).
3. Loans on unimproved land.
4. Construction or bridge loans and other temporary financing.
5. The purchase of an interest in a pool of loans (such as mortgage-participation certificates).
6. The purchase solely of the right to service loans.

V. Instructions for Completion of Loan/Application Register

A. Application or Loan Information

1. *Application or Loan Number*

Enter an identifying number that can be used later to retrieve the loan or application file. It can be any number of your choosing (not exceeding 25 characters). You may use letters, numerals, or a combination of both.

Make sure that all numbers are unique within your institution. If your register contains data for branch offices, for example, you could use a letter or a numerical code to identify the loans or applications of different branches, or could assign a certain series of numbers to particular branches to avoid duplicate numbers. You are strongly encouraged not to use the applicant's or borrower's name or social security number, for privacy reasons.

2. *Date application received.* For paper submissions only, enter the date the loan application was received by your institution by month, day, and year, using numerals in the form MM/DD/CCYY (for example, 01/15/1999). For institutions submitting data in electronic form, the proper format is CCYYMMDD. If your institution normally records the date shown on the application form, you may use that date instead. Enter "NA" for loans purchased by your institution.

3. *Type.* Indicate the type of loan or application by entering the applicable

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code from the following:

- 1 -- Conventional (any loan other than FHA, VA, FSA, or RHS loans)
- 2 -- FHA-insured (Federal Housing Administration)
- 3 -- VA-guaranteed (Veterans Administration)
- 4 -- FSA/RHS-guaranteed (Farm Service Agency or Rural Housing Service)

4. *Purpose*

Indicate the purpose of the loan or application by entering the applicable code from the following:

- 1 -- Home purchase (one-to-four family)
- 2 -- Home improvement (one-to-four family)
- 3 -- Refinancing (home purchase or home improvement, one-to-four family)
- 4 -- Multifamily dwelling (home purchase, home improvement, and refinancings)

5. *Explanation of Purpose Codes*

Code 1: Home purchase.

a. This code applies to loans and applications made for the purpose of purchasing a residential dwelling for one to four families, if the loan is to be secured by the dwelling being purchased or by another dwelling.

b. At your option, you may use code 1 for loans that are made for home improvement purposes but are secured by a first lien, if you normally classify such first-lien loans as home purchase loans.

Code 2: Home improvement.

a. Code 2 applies to loans and applications for loans if (i) a portion of the proceeds is to be used for repairing, rehabilitating, remodeling, or improving a one- to four-family residential dwelling, or the real property upon which it is located, and (ii) the loan is classified as a home improvement loan.

b. Report both secured and unsecured loans.

c. At your option, you may report data about home-equity lines of credit -- even if the credit line is not classified as a home improvement loan. If you choose to do so, you may report a home-equity line of credit as a home improvement loan if

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some portion of the proceeds will be used for home improvement. (See Paragraph 8. "Loan amount.") If you report originations of home-equity lines of credit, you must also report applications for such loans that did not result in originations.

Code 3: Refinancings.

a. Use this code for refinancings (and applications for refinancings) of loans secured by one- to four-family residential dwellings. A refinancing involves the satisfaction of an existing obligation that is replaced by a new obligation undertaken by the same borrower. But do not report a refinancing if, under the loan agreement, you are unconditionally obligated to refinance the obligation, or you are obligated to refinance the obligation subject to conditions within the borrower's control.

b. Use this code whether or not you were the original creditor on the loan being refinanced, and whether or not the refinancing involves an increase in the outstanding principal.

c. You may report all refinancings of loans secured by one- to four-family residential dwellings, regardless of the purpose of or amount outstanding on the original loan, and regardless of the amount of new money (if any) that is for home purchase or home improvement purposes.

Code 4: Multifamily dwelling.

a. Use this code for loans and loan applications on dwellings for five or more families, including home purchase loans, refinancings, and loans for repairing, rehabilitation, and remodeling purposes.

b. Do not use this code for loans on individual condominium or cooperative units; use codes 1, 2, or 3 for such loans, as applicable.

6. Owner Occupancy

Indicate whether the property to which the loan or loan application relates is to be owner-occupied as a principal dwelling by entering the applicable code from the following:

- 1 -- Owner-occupied as a principal dwelling
- 2 -- Not owner-occupied
- 3 -- Not applicable

7. Explanation of Codes

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- a. Use code 2 for second homes or vacation homes, as well as rental properties.
- b. Use code 2 only for nonoccupant loans, or applications for nonoccupant loans, related to one-to-four family dwellings (including individual condominium or cooperative units).
- c. Use code 3 if the property to which the loan relates is a multifamily dwelling; is not located in an MSA; or is located in an MSA in which your institution has neither a home nor a branch office.
- d. For purchased loans, you may assume that the property will be owner-occupied as a principal dwelling (code 1) unless the loan documents or application contain information to the contrary.

8. *Loan Amount*

Enter the amount of the loan or application. Do not report loans below \$500. Show the amount in thousands rounding to the nearest thousand (\$500 should be rounded up to the next \$1,000). For example, a loan for \$167,300 should be entered as 167 and one for \$15,500 as 16.

- a. For home purchase loans that you originate, enter the principal amount of the loan as the loan amount. For home purchase loans that you purchase, enter the unpaid principal balance of the loan at the time of purchase as the loan amount.
- b. For home improvement loans (both originations and purchases), you may include unpaid finance charges in the loan amount if that is how you record such loans on your books. For a multiple purpose loan classified by you as a home improvement loan because it involves a home improvement purpose, enter the full amount of the loan, not just the amount specified for home improvement.
- c. For home-equity lines of credit (if you have chosen to report them), enter as the loan amount only that portion of the line that is for home improvement purposes. Report the loan amount for applications that did not result in originations in the same manner. Report only in the year the line is established.
- d. For refinancings of dwelling-secured loans, indicate the total amount of the refinancing, including the amount outstanding on the original loan and the amount of new money (if any).
- e. For a loan application that was denied or withdrawn, enter the amount

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applied for.

f. If you make a counteroffer for an amount different from the amount initially applied for, and the counteroffer is accepted by the applicant, report it as an origination for the amount of the loan actually granted. If the applicant turns down the counteroffer or fails to respond, report it as a denial for the amount initially requested.

B. Action Taken

1. *Type of action.* Indicate the type of action taken on the application or loan by using one of the following codes. Do not report any loan application still pending at the end of the calendar year; you will report that application on your register for the year in which final action is taken.

1 -- Loan originated

2 -- Application approved but not accepted

3 -- Application denied

4 -- Application withdrawn

5 -- File closed for incompleteness

6 -- Loan purchased by your institution

2. Explanation of Codes

a. Use code 1 for a loan that is originated, including one resulting from a counteroffer (your offer to the applicant to make the loan on different terms or in a different amount than initially applied for) that the applicant accepts.

b. Use code 2 when an application is approved but the applicant (or a loan broker or correspondent) fails to respond to your notification of approval or your commitment letter within the specified time.

c. Use code 3 when an application is denied. This includes the situation when an applicant turns down or fails to respond to your counteroffer. Do not report as a withdrawn application or as an application that was approved but not accepted.

3. Date of action.

For paper submissions only, enter the date by month, day, and year, using numerals in the form MM/DD/CCYY (for example, 02/22/1999). For institutions

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submitting data in electronic form, the proper format is CCYYMMDD.

- a. For loans originated, enter the settlement or closing date. For loans purchased, enter the date of purchase by your institution.
- b. For applications denied, applications approved but not accepted by the applicant, and files closed for incompleteness, enter the date that the action was taken by your institution or the date the notice was sent to the applicant.
- c. For applications withdrawn, enter the date you received the applicant's express withdrawal; or you may enter the date shown on the notification from the applicant, in the case of a written withdrawal.

C. Property location

In these columns enter the applicable codes for the MSA, state, county, and census tract for the property to which a loan relates. For home purchase loans secured by one dwelling, but made for the purpose of purchasing another dwelling, report the property location for the property in which the security interest is to be taken. If the home purchase loan is secured by more than one property, report the location data for the property being purchased. (See paragraphs 5., 6., and 7. of paragraph V.C. of this appendix for treatment of loans on property outside the MSAs in which you have offices.)

1. MSA

For each loan or loan application, indicate the location of the property by the MSA number. Enter only the MSA number, not the MSA name. MSA boundaries are defined by the U.S. Office of Management and Budget; use the boundaries that were in effect on January 1 of the calendar year for which you are reporting. A listing of MSAs is available from your regional supervisory agency or the FFIEC. (In these instructions, the term MSA refers to both metropolitan statistical area and primary metropolitan statistical area.)

2. State and County

You must use the Federal Information Processing Standard (FIPS) two-digit numerical code for the state and the three-digit numerical code for the county. These codes are available from your regional supervisory agency or the FFIEC. Do not use the letter abbreviations used by the U.S. Postal Service.

3. Census Tract

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Indicate the census tract where the property is located.

a. Enter the code "NA" if the property is located in an area not divided into census tracts on the U.S. Census Bureau's census-tract outline maps (see paragraph 4. below).

b. If the property is located in a county with a population of 30,000 or less in the 2000 census (as determined by the Census Bureau's 2000 CPH-2 population series), enter "NA" (even if the population has increased above 30,000 since 2000), or you may enter the census tract number.

4. Census Tract Number

For the census tract number, consult the U.S. Census Bureau's Census Tract/Street Index for 2000, and for addresses not listed in the index, consult the Census Bureau's census tract outline maps. You must use the maps from the Census Bureau's 2000 CPH-3 series, or equivalent 2000 census data from the Census Bureau (such as the Census TIGER/Line File) or from a private publisher.

5. Outside-MSA

For loans on property located outside the MSAs in which you have a home or branch office (or outside any MSA), you have two options. Under option 1, you may enter the MSA, state, and county codes and the census tract number. You may enter "NA" in the MSA or census tract column if no code or number exists for the property. (Codes exist for all states and counties.) If you choose option 1, the codes and tract number must accurately identify the location for the property in question. Under option 2, you may enter "NA" in all four columns, whether or not the codes or number exist for the property.

6. Nondepository lenders

If you are a for-profit mortgage lending institution (other than a bank, savings association, or credit union), and in the preceding calendar year you received applications for, or originated or purchased, loans for home purchase or home improvement adding up to a total of five or more for a given MSA, you are deemed to have a branch office in that MSA, whether or not you have a physical office there. As a result, you will have to enter the MSA, state, county, and census tract numbers for any transactions in that MSA. Because you must keep accurate records about lending within MSAs in the current calendar year in order to report data accurately the following year, to comply with this rule you may find it easier to enter the geographic

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information routinely for any property located within any MSA.

7. Data Reporting Under CRA for Banks and Savings Associations With Total Assets of \$250 Million or More and Banks and Savings Associations That Are Subsidiaries of a Holding Company Whose Total Banking and Thrift Assets Are \$1 Billion or More

If you are a bank or savings association with total assets of \$250 million or more as of December 31 for each of the immediately preceding two years, you must also enter the location of property located outside the MSAs in which you have a home or branch office, or outside any MSA. You must also enter this information if you are a bank or savings association that is a subsidiary of a holding company with total banking and thrift assets of \$1 billion or more as of December 31 for each of the immediately preceding two years.

D. Applicant Information -- Race or National Origin, Sex, and Income

Appendix B of Regulation C contains instructions for the collection of data on race or national origin and sex, and also contains a sample form for data collection. The form is substantially similar to the form prescribed by § 202.13 of Regulation B (Equal Credit Opportunity) and contained in Appendix B to that regulation. You may use either form.

1. Applicability

You must report this applicant information for loans that you originate as well as for applications that do not result in an origination.

a. You need not collect or report this information for loans purchased. If you choose not to, enter the codes specified in paragraphs 3., 4., and 5. below for "not applicable."

b. If your institution is a bank, savings association, or credit union that had assets of \$30 million or less on the preceding December 31, you may -- but need not -- collect and report these data. If you choose not to, enter the codes specified in paragraphs 3., 4., and 5. below for "not applicable."

c. If the borrower or applicant is not a natural person (a corporation or partnership, for example), use the codes specified in paragraphs 3., 4., and 5. below for "not applicable."

[Effective for data collected before January 1, 2003]

2. Mail and Telephone Applications

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Any loan applications mailed to applicants must contain a collection form similar to that shown in Appendix B, and you must record on your register the data on race or national origin and sex if the applicant provides it. If the applicant chooses not to provide the data, enter the code for "information not provided by applicant in mail or telephone application" specified in paragraphs 3. and 4. below. If an application is taken entirely by telephone, you need not request this information. (See Appendix B for complete information on the collection of this data in mail or telephone applications.)

[Effective for data collected after January 1, 2003]

2. Mail, Internet, or Telephone Applications

All loan applications, including applications taken by mail, Internet, or telephone, must use a collection form similar to that shown in appendix B regarding race or national origin and sex. For applications taken by telephone, the information in the collection form must be stated orally by the lender, except for information that pertains uniquely to applications taken in writing. If the applicant does not provide these data in an application taken by mail, Internet or telephone, enter the code for "information not provided by applicant in mail or telephone application" specified in paragraphs V.D.3. and 4. of this appendix. (See appendix B for complete information on the collection of these data in mail, Internet, or telephone applications.)

3. Race or National Origin of Borrower or Applicant

Use the following codes to indicate the race or national origin of the applicant or borrower under column "A" and of any co-applicant or co-borrower under column "CA." If there is more than one co-applicant, provide this information only for the first co-applicant listed on the application form. If there are no co-applicants or co-borrowers, enter code 8 for "not applicable" in the co-applicant column.

- 1 -- American Indian or Alaskan Native
- 2 -- Asian or Pacific Islander
- 3 -- Black
- 4 -- Hispanic
- 5 -- White
- 6 -- Other

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7 -- Information not provided by applicant in mail or telephone application

8 -- Not applicable

4. Sex of Borrower or Applicant

Use the following codes to indicate the sex of the applicant or borrower under column "A" and of any co-applicant or co-borrower under column "CA." If there is more than one co-applicant, provide this information only for the first co-applicant listed on the application form. If there are no co-applicants or co-borrowers, enter code 4 for "not applicable."

1 -- Male

2 -- Female

3 -- Information not provided by applicant in mail or telephone application

4 -- Not applicable

5. Income

Enter the gross annual income that your institution relied upon in making the credit decision.

a. Round all dollar amounts to the nearest thousand (round \$500 up to the next \$1,000), and show in terms of thousands. For example, \$35,500 should be reported as 36.

b. For loans on multifamily dwellings, enter "NA."

c. If no income information is asked for or relied on in the credit decision, enter "NA."

E. Type of Purchaser

1. Enter the applicable code to indicate whether a loan that your institution originated or purchased was then sold to a secondary market entity within the same calendar year:

0 -- Loan was not originated or was not sold in calendar year covered by register

1 -- FNMA (Federal National Mortgage Association)

2 -- GNMA (Government National Mortgage Association)

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- 3 -- FHLMC (Federal Home Loan Mortgage Corporation)
- 4 -- FAMC (Federal Agricultural Mortgage Corporation)
- 5 -- Commercial bank
- 6 -- Savings bank or savings association
- 7 -- Life insurance company
- 8 -- Affiliate institution
- 9 -- Other type of purchaser

2. *Explanation of codes.* a. Enter the code 0 for applications that were denied, withdrawn, or approved but not accepted by the applicant; and for files closed for incompleteness.

b. If you originated or purchased a loan and did not sell it during that same calendar year, enter the code 0. If you sell the loan in a succeeding year, you need not report the sale.

c. If you conditionally assign a loan to GNMA in connection with a mortgage-backed security transaction, use code 2.

d. Loans "swapped" for mortgage-backed securities are to be treated as sales; enter the type of entity receiving the loans that are swapped as the purchaser.

e. Use code 8 for loans sold to an institution affiliated with you, such as your subsidiary or a subsidiary of your parent corporation.

F. Reasons for Denial

1. You are not required to enter the reasons for the denial of an application. But if you choose to do so, you may indicate up to three reasons by using the following codes:

- 1 -- Debt-to-income ratio
- 2 -- Employment history
- 3 -- Credit history
- 4 -- Collateral
- 5 -- Insufficient cash (downpayment, closing costs)

- 6 -- Unverifiable information
- 7 -- Credit application incomplete
- 8 -- Mortgage insurance denied
- 9 -- Other

2. Leave this column blank if the "action taken" on the application is not a denial. For example, do not complete this column if the application was withdrawn or the file was closed for incompleteness.

3. If your institution uses the model form for adverse action contained in the appendix to Regulation B (Form C-1 in Appendix C, Sample Notification Form, which offers some 20 reasons for denial), the following list shows which codes to enter.

- a. *Code 1 corresponds to:* Income insufficient for amount of credit requested, and Excessive obligations in relation to income.
- b. *Code 2 corresponds to:* Temporary or irregular employment, and Length of employment.
- c. *Code 3 corresponds to:* Insufficient number of credit references provided; Unacceptable type of credit references provided; No credit file; Limited credit experience; Poor credit performance with us; Delinquent past or present credit obligations with others; Garnishment, attachment, foreclosure, repossession, collection action, or judgment; and Bankruptcy.
- d. *Code 4 corresponds to:* Value or type of collateral not sufficient.
- e. *Code 6 corresponds to:* Unable to verify credit references, Unable to verify employment, Unable to verify income, and Unable to verify residence.
- f. *Code 7 corresponds to:* Credit application incomplete.
- g. *Code 9 corresponds to:* Length of residence, Temporary residence, and Other reasons specified on notice.

VI. Federal Supervisory Agencies

Send your loan/application register and direct any questions to the office of your federal supervisory agency as specified below. If you are the nondepository subsidiary of a bank, savings association, or credit union, send the register to the

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supervisory agency for your parent institution. Terms that are not defined in the Federal Deposit Insurance Act (12 U.S.C. 1813(s)) shall have the meaning given to them in the International Banking Act of 1978 (12 U.S.C. 3101).

A. National Banks and Their Subsidiaries and Federal Branches and Federal Agencies of Foreign Banks.

District office of the Office of the Comptroller of the Currency for the district in which the institution is located.

B. State member banks of the Federal Reserve System, their subsidiaries, subsidiaries of bank holding companies, branches and agencies of foreign banks (other than federal branches, federal agencies, and insured state branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25A of the Federal Reserve Act.

Federal Reserve Bank serving the district in which the state member bank is located; for institutions other than state member banks, the Federal Reserve Bank specified by the Board of Governors.

C. Nonmember Insured Banks (except for federal savings banks) and Their Subsidiaries and Insured State Branches of Foreign Banks.

Regional Director of the Federal Deposit Insurance Corporation for the region in which the institution is located.

D. Savings Institutions Insured Under the Savings Association Insurance Fund of the FDIC, Federally-Chartered Savings Banks Insured Under the Bank Insurance Fund of the FDIC (But Not Including State-Chartered Savings Banks Insured Under the Bank Insurance Fund), Their Subsidiaries, and Subsidiaries of Savings Institution Holding Companies

Regional or other office specified by the Office of Thrift Supervision.

E. Credit Unions

National Credit Union Administration, Office of Examination and Insurance, 1776 G Street, NW., Washington, DC 20456.

F. Other Depository Institutions

Regional Director of the Federal Deposit Insurance Corporation for the region in which the institution is located.

G. Other mortgage lending institutions

Assistant Secretary for Housing, HMDA Reporting -- Room 9233, U.S.
Department of Housing and Urban Development, 451 7th Street, SW., Washington, DC
20410.

APPLICATION OR LOAN INFORMATION

Type:

- 1 -- Conventional (any loan other than FHA, VA, FSA, or RHS loans)
- 2 -- FHA-insured (Federal Housing Administration)
- 3 -- VA-guaranteed (Veterans Administration)
- 4 -- FSA/RHS-guaranteed (Farm Service Agency or Rural Housing Service)

Purpose:

- 1 -- Home purchase (one-to-four family)
- 2 -- Home improvement (one-to-four family)
- 3 -- Refinancing (home purchase or home improvement, one-to-four family)
- 4 -- Multifamily dwelling (home purchase, home improvement, and refinancings)

Owner-Occupancy:

- 1 -- Owner-occupied as a principal dwelling
- 2 -- Not owner-occupied
- 3 -- Not applicable

Action Taken:

- 1 -- Loan originated
- 2 -- Application approved but not accepted
- 3 -- Application denied by financial institution
- 4 -- Application withdrawn by applicant
- 5 -- File closed for incompleteness
- 6 -- Loan purchased by your institution

APPLICANT INFORMATION

Race or National Origin:

- 1 -- American Indian or Alaskan Native
- 2 -- Asian or Pacific Islander
- 3 -- Black
- 4 -- Hispanic
- 5 -- White
- 6 -- Other
- 7 -- Information not provided by applicant in mail or telephone application
- 8 -- Not applicable

Sex:

- 1 -- Male
- 2 -- Female
- 3 -- Information not provided by applicant in mail or telephone application
- 4 -- Not applicable

Type of Purchaser

- 0 -- Loan was not originated or was not sold in calendar year covered by register
- 1 -- FNMA (Federal National Mortgage Association)
- 2 -- GNMA (Government National Mortgage Association)
- 3 -- FHLMC (Federal Home Loan Mortgage Corporation)
- 4 -- FAMC (Federal Agricultural Mortgage Corporation)
- 5 -- Commercial bank
- 6 -- Savings bank or savings association
- 7 -- Life insurance company
- 8 -- Affiliate institution

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9 -- Other type of purchaser

REASONS FOR DENIAL (OPTIONAL)

1 -- Debt-to-income ratio

2 -- Employment history

3 -- Credit history

4 -- Collateral

5 -- Insufficient cash (downpayment, closing costs)

6 -- Unverifiable information

7 -- Credit application incomplete

8 -- Mortgage insurance denied

9 -- Other

[Effective for data collected January 1, 2004 -- see above for version effective for data collected until January 1, 2004]

Paperwork Reduction Act Notice

This report is required by law (12 U.S.C. 2801-2810 and 12 C.F.R. 203). An agency may not conduct or sponsor, and an organization is not required to respond to, a collection of information unless it displays a valid Office of Management and Budget (OMB) Control Number. See 12 C.F.R. 203.1(a) for the valid OMB Control Numbers, applicable to this information collection. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to the respective agencies and to OMB, Office of Information and Regulatory Affairs, Paperwork Reduction Project, Washington, DC 20503. Be sure to reference the applicable agency and the OMB Control Number, as found in 12 C.F.R. 203.1(a), when submitting comments to OMB.

I. Instructions for Completion of Loan/Application Register

A. *Application or Loan Information*

1. Application or Loan Number

a. Enter an identifying loan number that can be used later to retrieve the loan or application file. It can be any number of your institution's

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choosing (not exceeding 25 characters). You may use letters, numerals, or a combination of both.

2. Date Application Received

a. Enter the date the loan application was received by your institution by month, day, and year. If your institution normally records the date shown on the application form you may use that date instead. Enter "NA" for loans purchased by your institution. For paper submissions only, use numerals in the form MM/DD/CCYY (for example, 01/15/2003). For submissions in electronic form, the proper format is CCYYMMDD.

3. Type of Loan or Application

Indicate the type of loan or application by entering the applicable code from the following:

Code 1 -- Conventional (any loan other than FHA, VA, FSA, or RHS loans)

Code 2 -- FHA-insured (Federal Housing Administration)

Code 3 -- VA-guaranteed (Veterans Administration)

Code 4 -- FSA/RHS-guaranteed (Farm Service Agency or Rural Housing Service)

4. Property Type

Indicate the property type by entering the applicable code from the following:

Code 1 -- One-to four-family dwelling (other than manufactured housing)

Code 2 -- Manufactured housing

Code 3 -- Multifamily dwelling

a. Use Code 1, not Code 3, for loans on individual condominium or cooperative units.

b. If you cannot determine (despite reasonable efforts to find out) whether the loan or application relates to a manufactured home, use Code 1.

5. Purpose of Loan or Application

Indicate the purpose of the loan or application by entering the applicable code from the following:

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Code 1 -- Home purchase

Code 2 -- Home improvement

Code 3 -- Refinancing

a. Do not report a refinancing if, under the loan agreement, you were unconditionally obligated to refinance the obligation, or you were obligated to refinance the obligation subject to conditions within the borrower's control.

6. Owner Occupancy

Indicate whether the property to which the loan or loan application relates is to be owner-occupied as a principal residence by entering the applicable code from the following:

Code 1 -- Owner-occupied as a principal dwelling

Code 2 -- Not owner-occupied as a principal dwelling

Code 3 -- Not applicable

a. For purchased loans, use Code 1 unless the loan documents or application indicate that the property will not be owner-occupied as a principal residence.

b. Use Code 2 for second homes or vacation homes, as well as for rental properties.

c. Use Code 3 if the property to which the loan relates is a multifamily dwelling; is not located in an MSA; or is located in an MSA or an MD in which your institution has neither a home nor a branch office. Alternatively, at your institution's option, you may report the actual occupancy status, using Code 1 or 2 as applicable.

7. Loan Amount

Enter the amount of the loan or application. Do not report loans below \$500. Show the amount in thousands, rounding to the nearest thousand (round \$500 up to the next \$1,000). For example, a loan for \$167,300 should be entered as 167 and one for \$15,500 as 16.

a. For a home purchase loan that you originated, enter the principal amount of the loan.

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- b. For a home purchase loan that you purchased, enter the unpaid principal balance of the loan at the time of purchase.
- c. For a home improvement loan, enter the entire amount of the loan -- including unpaid finance charges if that is how such loans are recorded on your books -- even if only a part of the proceeds is intended for home improvement.
- d. If you opt to report home-equity lines of credit, report only the portion of the line intended for home improvement or home purchase.
- e. For refinancings, indicate the total amount of the refinancing, including both the amount outstanding on the original loan and any amount of "new money."
- f. For a loan application that was denied or withdrawn, enter the amount applied for.

8. *[Effective for all applications upon which final action is taken on or after January 1, 2004]* Request for Preapproval of a Home Purchase Loan

Indicate whether the application or loan involved a request for preapproval of a home purchase loan by entering the applicable code from the following:

Code 1 -- Preapproval requested

Code 2 -- Preapproval not requested

Code 3 -- Not applicable

- a. Enter code 2 if your institution has a covered preapproval program but the applicant does not request a preapproval.
- b. Enter code 3 if your institution does not have a preapproval program as defined in § 203.2(b).
- c. Enter code 3 for applications or loans for home improvement or refinancing, and for purchased loans.

B. Action Taken

1. Type of Action

Indicate the type of action taken on the application or loan by using one of the following codes.

Code 1 -- Loan originated

Code 2 -- Application approved but not accepted

Code 3 -- Application denied

Code 4 -- Application withdrawn

Code 5 -- File closed for incompleteness

Code 6 -- Loan purchased by your institution

Code 7 -- Preapproval request denied

Code 8 -- Preapproval request approved but not accepted (optional reporting)

a. Use Code 1 for a loan that is originated, including one resulting from a request for preapproval.

b. For a counteroffer (your offer to the applicant to make the loan on different terms or in a different amount from the terms or amount applied for), use Code 1 if the applicant accepts. Use Code 3 if the applicant turns down the counteroffer or does not respond.

c. Use Code 2 when the application is approved but the applicant (or the loan broker or correspondent) fails to respond to your notification of approval or your commitment letter within the specified time. Do not use this code for a preapproval request.

d. Use Code 4 only when the application is expressly withdrawn by the applicant before a credit decision is made. Do not use code 4 if a request for preapproval is withdrawn; preapproval requests that are withdrawn are not reported under HMDA.

e. Use Code 5 if you sent a written notice of incompleteness under Sec. 202.9(c)(2) of Regulation B (Equal Credit Opportunity) and the applicant did not respond to your request for additional information within the period of time specified in your notice. Do not use this code for requests for preapproval that are incomplete; these preapproval requests are not reported under HMDA.

2. Date of Action

For paper submissions only, enter the date by month, day, and year, using numerals in the form MM/DD/CCYY (for example, 02/22/2003). For submissions in

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electronic form, the proper format is CCYYMMDD.

- a. For loans originated, enter the settlement or closing date.
- b. For loans purchased, enter the date of purchase by your institution.
- c. For applications and preapprovals denied, applications and preapprovals approved but not accepted by the applicant, and files closed for incompleteness, enter the date that the action was taken by your institution or the date the notice was sent to the applicant.
- d. For applications withdrawn, enter the date you received the applicant's express withdrawal, or enter the date shown on the notification from the applicant, in the case of a written withdrawal.
- e. For preapprovals that lead to a loan origination, enter the date of the origination.

C. Property Location

Except as otherwise provided, enter in these columns the applicable codes for the MSA, or the MD if the MSA is divided into MDs, state, county, and census tract to indicate the location of the property to which a loan relates.

1. MSA or Metropolitan Division. For each loan or loan application, enter the MSA, or the MD number if the MSA is divided into MDs. MSA and MD boundaries are defined by OMB; use the boundaries that were in effect on January 1 of the calendar year for which you are reporting. A listing of MSAs and MDs is available from your supervisory agency or the FFIEC.

2. State and County

Use the Federal Information Processing Standard (FIPS) two-digit numerical code for the state and the three-digit numerical code for the county. These codes are available from your supervisory agency or the FFIEC.

3. Census Tract

Indicate the census tract where the property is located. Notwithstanding paragraph 6, if the property is located in a county with a population of 30,000 or less in the 2000 Census, enter "NA" (even if the population has increased above 30,000 since 2000), or enter the census tract number. County population data can be obtained from the U.S. Census Bureau.

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4. Census Tract Number

For the census tract number, consult the resources provided by the U.S. Census Bureau or the FFIEC.

5. Property Located Outside MSAs or Metropolitan Divisions

For loans on property located outside the MSAs and MDs in which an institution has a home or branch office, or for property located outside of any MSA or MD, the institution may choose one of the following two options. Under option one, the institution may enter the MSA or MD, state and county codes and the census tract number; and if the property is not located in any MSA or MD, it may enter "NA" in the MSA or MD column. (Codes exist for all states and counties and numbers exist for all census tracts.) Under this first option, the codes and census tract number must accurately identify the property location. Under the second option, which is not available if paragraph 6 applies, an institution may enter "NA" in all four columns, whether or not the codes or numbers exist for the property location.

6. Data Reporting for Banks and Savings Associations Required To Report Data on Small Business, Small Farm, and Community Development Lending Under the CRA Regulations

If your institution is a bank or savings association that is required to report data under the regulations that implement the CRA, you must enter the property location on your HMDA/LAR even if the property is outside the MSAs or MDs in which you have a home or branch office, or is not located in any MSA.

7. Requests for Preapproval

Notwithstanding paragraphs 1 through 6, if the application is a request for preapproval that is denied or that is approved but not accepted by the applicant, you may enter "NA" in all four columns.

D. Applicant Information -- Ethnicity, Race, Sex, and Income

Appendix B contains instructions for the collection of data on ethnicity, race, and sex, and also contains a sample form for data collection.

1. Applicability

Report this information for loans that you originate as well as for applications that do not result in an origination.

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a. You need not collect or report this information for loans purchased. If you choose not to, use the Codes for "not applicable."

b. If the borrower or applicant is not a natural person (a corporation or partnership, for example), use the Codes for "not applicable."

2. *[Effective for all applications upon which final action is taken on or after January 1, 2004]* Mail, Internet, or Telephone Applications

Any loan applications, including applications taken by mail, Internet, or telephone must use a collection form similar to that shown in appendix B regarding ethnicity, race, and sex. For applications taken by telephone, the information in the collection form must be stated orally by the lender, except for information that pertains uniquely to applications taken in writing. If the applicant does not provide these data in an application taken by mail or telephone or on the Internet, enter the code for "information not provided by applicant in mail, Internet, or telephone application" specified in paragraphs I.D.3., 4., and 5. of this appendix. (See appendix B for complete information on the collection of these data in mail, Internet, or telephone applications.)

3. Ethnicity of Borrower or Applicant

Use the following codes to indicate the ethnicity of the applicant or borrower under column "A" and of any co-applicant or co-borrower under column "CA."

Code 1 -- Hispanic or Latino

Code 2 -- Not Hispanic or Latino

Code 3 -- Information not provided by applicant in mail, Internet, or telephone application

Code 4 -- Not applicable

Code 5 -- No co-applicant

4. Race of Borrower or Applicant

Use the following Codes to indicate the race of the applicant or borrower under column "A" and of any co-applicant or co-borrower under column "CA."

Code 1 -- American Indian or Alaska Native

Code 2 -- Asian

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Code 3 -- Black or African American

Code 4 -- Native Hawaiian or Other Pacific Islander

Code 5 -- White

Code 6 -- Information not provided by applicant in mail, Internet, or telephone application

Code 7 -- Not applicable

Code 8 -- No co-applicant

a. If an applicant select more than one racial designation, enter all Codes corresponding to the applicant's selections.

b. Use code 4 (for ethnicity) and code 7 (for race) for "not applicable" only when the applicant or co-applicant is not a natural person or when applicant or co-applicant information is unavailable because the loan has been purchased by your institution.

c. If there is more than one co-applicant, provide the required information only for the first co-applicant listed on the application form. If there are no co-applicants or co-borrowers, use Code 5 (for ethnicity) and Code 8 (for race) for "no co-applicant" in the co-applicant column.

5. Sex of Borrower or Applicant

Use the following Codes to indicate the sex of the applicant or borrower under column "A" and of any co-applicant or co-borrower under column "CA."

Code 1 -- Male

Code 2 -- Female

Code 3 -- Information not provided by applicant in mail, Internet, or telephone application

Code 4 -- Not applicable

Code 5 -- No co-applicant or co-borrower

a. Use code 4 for "not applicable" only when the applicant or co-applicant is not a natural person or when applicant or co-applicant information is unavailable because the loan has been purchased by your institution.

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b. If there is more than one co-applicant, provide the required information only for the first co-applicant listed on the application form. If there are no co-applicants or co-borrowers, use Code 5 for "no co-applicant" in the co-applicant column.

6. Income

Enter the gross annual income that your institution relied on in making the credit decision.

a. Round all dollar amounts to the nearest thousand (round \$500 up to the next \$1,000), and show in thousands. For example, report \$35,500 as 36.

b. For loans on multifamily dwellings, enter "NA."

c. If no income information is asked for or relied on in the credit decision, enter "NA."

d. If the applicant or co-applicant is not a natural person or the applicant or co-applicant information is unavailable because the loan has been purchased by your institution, enter "NA."

E. Type of Purchaser

Enter the applicable code to indicate whether a loan that your institution originated or purchased was then sold to a secondary market entity within the same calendar year:

Code 0 -- Loan was not originated or was not sold in calendar year covered by register

Code 1 -- Fannie Mae

Code 2 -- Ginnie Mae

Code 3 -- Freddie Mac

Code 4 -- Farmer Mac

Code 5 -- Private securitization

Code 6 -- Commercial bank, savings bank or savings association

Code 7 -- Life insurance company, credit union, mortgage bank, or finance company

Code 8 -- Affiliate institution

Code 9 -- Other type of purchaser

- a. Use Code 0 for applications that were denied, withdrawn, or approved but not accepted by the applicant; and for files closed for incompleteness.
- b. Use Code 0 if you originated or purchased a loan and did not sell it during that same calendar year. If you sell the loan in a succeeding year, you need not report the sale.
- c. Use Code 2 if you conditionally assign a loan to Ginnie Mae in connection with a mortgage-backed security transaction.
- d. Use Code 8 for loans sold to an institution affiliated with you, such as your subsidiary or a subsidiary of your parent corporation.

F. Reasons for Denial

1. You may report the reason for denial, and you may indicate up to three reasons, using the following codes. Leave this column blank if the "action taken" on the application is not a denial. For example, do not complete this column if the application was withdrawn or the file was closed for incompleteness.

Code 1 -- Debt-to-income ratio

Code 2 -- Employment history

Code 3 -- Credit history

Code 4 -- Collateral

Code 5 -- Insufficient cash (downpayment, closing costs)

Code 6 -- Unverifiable information

Code 7 -- Credit application incomplete

Code 8 -- Mortgage insurance denied

Code 9 -- Other

2. If your institution uses the model form for adverse action contained in the Appendix to Regulation B (Form C-1 in Appendix C, Sample Notification Form), use the foregoing codes as follows:

- a. Code 1 for: Income insufficient for amount of credit requested, and Excessive obligations in relation to income.

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b. Code 2 for: Temporary or irregular employment, and Length of employment.

c. Code 3 for: Insufficient number of credit references provided; Unacceptable type of credit references provided; No credit file; Limited credit experience; Poor credit performance with us; Delinquent past or present credit obligations with others; Garnishment, attachment, foreclosure, repossession, collection action, or judgment; and Bankruptcy.

d. Code 4 for: Value or type of collateral not sufficient.

e. Code 6 for: Unable to verify credit references; Unable to verify employment; Unable to verify income; and Unable to verify residence.

f. Code 7 for: Credit application incomplete.

g. Code 9 for: Length of residence; Temporary residence; and Other reasons specified on notice.

G. [Effective for all applications upon which final action is taken on or after January 1, 2004] Pricing-Related Data

1. Rate Spread

a. For a home purchase loan, a refinancing, or a dwelling-secured home improvement loan that you originated, report the spread between the annual percentage rate (APR) and the applicable Treasury yield if the spread is equal to or greater than 3 percentage points for first-lien loans or 5 percentage points for subordinate-lien loans. To determine whether the rate spread meets this threshold, use the Treasury yield for securities of a comparable period of maturity as of the 15th day of a given month, depending on when the interest rate was set, and use the APR for the loan, as calculated and disclosed to the consumer under §§226.6 or 226.18 of Regulation Z (12 C.F.R. part 226). Use the 15th day of a given month for any loan on which the interest rate was set on or after the 15th day through the 14th day of the next month. (For example, if the rate is set on September 17, 2004, use the Treasury yield as of September 15, 2004; if the interest rate is set on September 3, 2004, use the Treasury yield as of August 15, 2004). To determine the applicable Treasury security yield, the financial institution must use the table published on the FFIEC's Web site (www.ffiec.gov/hmda) entitled "Treasury Securities of Comparable Maturity under Regulation C."

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b. If the loan is not subject to Regulation Z, or is a home improvement loan that is not dwelling-secured, or is a loan that you purchased, enter "NA."

c. Enter "NA" in the case of an application that does not result in a loan origination.

d. Enter the rate spread to two decimal places, and use a leading zero. For example, enter 03.29. If the difference between the APR and the Treasury yield is a figure with more than two decimal places, round the figure or truncate the digits beyond two decimal places.

e. If the difference between the APR and the Treasury yield is less than 3 percentage points for a first-lien loan and less than 5 percentage points for a subordinate-lien loan, enter "NA."

2. *Date the interest rate was set.* The relevant date to use to determine the Treasury yield is the date on which the loan's interest rate was set by the financial institution for the final time before closing. If an interest rate is set pursuant to a "lock-in" agreement between the lender and the borrower, then the date on which the agreement fixes the interest rate is the date the rate was set. If a rate is re-set after a lock-in agreement is executed (for example, because the borrower exercises a float-down option or the agreement expires), then the relevant date is the date the rate is re-set for the final time before closing. If no lock-in agreement is executed, then the relevant date is the date on which the institution sets the rate for the final time before closing.

H. [Effective for all applications upon which final action is taken on or after January 1, 2004] Lien Status

Use the following codes for loans that you originate and for applications that do not result in an origination:

Code 1 -- Secured by a first lien.

Code 2 -- Secured by a subordinate lien.

Code 3 -- Not secured by a lien.

Code 4 -- Not applicable (purchased loan).

a. Use Codes 1 through 3 for loans that you originate, as well as for applications that do not result in an origination (applications that are approved but

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not accepted, denied, withdrawn, or closed for incompleteness).

- b. Use Code 4 for loans that you purchase.

II. Federal Supervisory Agencies

A. You are strongly encouraged to submit your loan/application register via Internet e-mail. If you elect to use this method of transmission and your institution is regulated by the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the National Credit Union Administration, or the Office of Thrift Supervision, then you should submit your institution's files to the Internet e-mail address dedicated to that purpose by the Federal Reserve Board, which can be found on the Web site of the FFIEC. If your institution is regulated by one of the foregoing agencies and you elect to submit your data by regular mail, then use the following address: HMDA, Federal Reserve Board, Attention: HMDA Processing, (insert name of your institution's regulatory agency), 20th & Constitution Ave, NW., MS N502, Washington, DC 20551-0001.

B. If your institution is regulated by the Federal Reserve System, you should use the Internet e-mail or regular mail address of your district bank indicated on the Web site of the FFIEC. If your institution is regulated by the Department of Housing and Urban Development, then you should use the Internet e-mail or regular mail address indicated on the Web site of the FFIEC.

Click to view [Loan Application Register Transmittal Sheet](#) (.pdf format).

Click to view [Loan Application Register Sheet](#) (.pdf format).

Click to view [Loan Application Register Code Sheet](#) (.pdf format).

**Reg C APPENDIX B TO PART 203 FORM AND INSTRUCTIONS FOR DATA
COLLECTION ON RACE OR NATIONAL ORIGIN AND SEX**

[Reference](#)

[Effective for data collected until January 1, 2004 -- see below for version effective for data collected after January 1, 2004]

I. Instructions on collection of data on race or national origin and sex.

A. Format.

You may list questions regarding the race or national origin and sex of the applicant on your loan application form, or on a separate form that refers to the application. (See the sample form below for recommended language.)

B. Procedures.

1. You must ask for this information, but cannot require the applicant to provide it.
2. If the applicant chooses not to provide the information for an application taken in person, note this fact on the form and note the data, to the extent possible, on the basis of visual observation or surname.
3. Inform the applicant that the Federal government is requesting this information in order to monitor compliance with Federal statutes that prohibit lenders from discriminating against applicants on these bases. Inform the applicant that if the information is not provided where the application is taken in person, you are required to note the data on the basis of visual observation or surname.
4. [Effective for data collected before January 1, 2003] If an application is made entirely by telephone, you need not request this information. And you need not provide the data when you take an application by mail, if the applicant fails to answer these questions on the application form. You should indicate whether an application was received by mail or telephone, if it is not otherwise evident on the face of the application.
4. [Effective for data collected after January 1, 2003] You must ask the applicant for this information (but you cannot require the applicant to provide it) whether the application is taken in person, by mail or telephone, or on the Internet. For applications taken by telephone, the information in the collection form must be

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stated orally by the lender, except for that information which pertains uniquely to applications taken in writing. You need not provide the data when you take an application by mail or telephone or on the Internet, if the applicant fails to answer. You should indicate whether an application was received by mail, telephone, or the Internet, if it is not otherwise evident on the face of the application.

5. The "other" block is available only to the applicant who chooses to indicate some other appropriate category for race or national origin. If completing the form based on visual observation, do not use this category; use one of the other five categories.

II. Sample race or national origin and sex data collection form

.....
.....

INFORMATION FOR GOVERNMENT MONITORING PURPOSES

.....
.....

The following information is requested by the federal government for certain types of loans related to a dwelling in order to monitor the lender's compliance with equal credit opportunity, fair housing, and home mortgage disclosure laws. You are not required to furnish this information, but are encouraged to do so. The law provides that a lender may not discriminate on the basis of this information, or on whether you choose to furnish it. However, if you choose not to furnish the information and you have made this application in person, under federal regulations the lender is required to note race or national origin and sex on the basis of visual observation or surname. If you do not wish to furnish the information, please check below.

APPLICANT:

CO-APPLICANT:

I do not wish to furnish this information

I do not wish to furnish this information

Race or National Origin:

Race or National Origin:

American Indian, Alaskan Native
Native

American Indian, Alaskan

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- Asian, Pacific Islander
- Black
- Hispanic
- White
- Other (specify).....
(specify).....

- Asian, Pacific Islander
- Black
- Hispanic
- White
- Other

Sex:

- Female
- Male

Sex:

- Female
- Male

.....
.....
.....
[Effective for data collected January 1, 2004 -- see above for version effective for
data collected until January 1, 2004]

I. Instructions on Collection of Data on Ethnicity, Race, and Sex

You may list questions regarding the ethnicity, race, and sex of the applicant on your loan application form, or on a separate form that refers to the application. (See the sample form below for model language.)

II. Procedures

A. You must ask the applicant for this information (but you cannot require the applicant to provide it) whether the application is taken in person, by mail or telephone, or on the Internet. For applications taken by telephone, the information in the collection form must be stated orally by the lender, except for that information which pertains uniquely to applications taken in writing.

B. Inform the applicant that the federal government requests this information in order to monitor compliance with federal statutes that prohibit lenders from discriminating against applicants on these bases. Inform the applicant that if the information is not provided where the application is taken in person, you are required to note the data on the basis of visual observation or surname.

C. You must offer the applicant the option of selecting one or more racial designations.

D. If the applicant chooses not to provide the information for an application

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taken in person, note this fact on the form and then note the applicant's ethnicity, race, and sex on the basis of visual observation and surname, to the extent possible.

E. If the applicant declines to answer these questions or fails to provide the information on an application taken by mail or telephone or on the Internet, the data need not be provided. In such a case, indicate that the application was received by mail, telephone, or Internet, if it is not otherwise evident on the face of the application.

Click to view [Sample Data Collection Form](#) (.pdf format).

Staff Commentary

CODE OF FEDERAL REGULATIONS

TITLE 12--BANKS AND BANKING

CHAPTER II--FEDERAL RESERVE SYSTEM

SUBCHAPTER A--BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

SUPPLEMENT I TO PART 203--STAFF COMMENTARY

Reg C Commentary SUPPLEMENT I TO PART 203 STAFF COMMENTARY

[Reference](#)

[Effective for data collected until January 1, 2004 -- see below for version effective for data collected after January 1, 2004]

Introduction

1. *Status and citations.* The commentary in this supplement is the vehicle by which the Division of Consumer and Community Affairs of the Federal Reserve Board issues formal staff interpretations of Regulation C (12 C.F.R. part 203). The parenthetical citations given are references to Appendix A to Regulation C, Form and Instructions for Completion of the HMDA Loan/Application Register.

[Effective for data collected January 1, 2004 -- see above for version effective for data collected until January 1, 2004]

Introduction

1. *Status.* The commentary in this supplement is the vehicle by which the Division of Consumer and Community Affairs of the Federal Reserve Board issues formal staff interpretations of Regulation C (12 C.F.R. part 203).

**Reg C Commentary 12 CFR § 203.1 SUPPLEMENT I TO PART 203 / Authority,
Purpose, and Scope**

[Reference](#)

[Effective for data collected until January 1, 2004 -- see below for version
effective for data collected after January 1, 2004]

1(c) *Scope*.

1. *General*. The comments in this section address issues affecting coverage of institutions, exemptions from coverage, and data collection requirements. (Appendix A of this part, I., IV., and V.)

2. *Meaning of refinancing*. A refinancing of a loan is the satisfaction and replacement of an existing obligation by a new obligation by the same borrower. The term "refinancing" refers to the new obligation. If the existing obligation is not satisfied and replaced, but is only renewed, modified, extended, or consolidated (as in certain modification, extension, and consolidation agreements), the transaction is not a refinancing for purposes of HMDA. (Appendix A of this part, Paragraph V.A.5. Code 3.)

3. *Refinancing -- coverage*. The regulation bases coverage, in part, on whether an institution originates home purchase loans. For determining whether an institution is subject to Regulation C or is exempt from coverage, an origination of a home-purchase loan includes the refinancing of a home-purchase loan. An institution may always determine the actual purpose of the existing obligation (for example, by reference to available documents). (Appendix A of this part, Paragraphs I.B., I.C., and I.D.) Alternatively, an institution may:

i. Rely on the statement of the applicant that the existing obligation was (or was not) a home-purchase loan; or

ii. Assume that the new obligation is not a refinancing of a home-purchase loan if either the existing obligation or the new obligation is not secured by a first lien on the dwelling.

4. *Refinancing -- data collection*. The regulation requires collection and reporting of data on refinancings of home-purchase and home-improvement loans. An institution may always determine the actual purpose of the existing obligation (for example, by reference to available documents). (Appendix A of this part, Paragraph

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V.A.5. Code 3.) Alternatively, an institution may:

- i. Rely on the statement of the applicant that the existing obligation was (or was not) a home-purchase or home-improvement loan; or
- ii. Assume that the new obligation is a refinancing of a home-purchase or home-improvement loan only if the existing obligation was secured by a lien on a dwelling; or
- iii. Assume that the new obligation is a refinancing of a home-purchase or home-improvement loan only if the new obligation will be secured by a lien on a dwelling.

5. *The broker rule and the meaning of "broker" and "investor."* For the purposes of the guidance given in this commentary, an institution that takes and processes a loan application and arranges for another institution to acquire the loan at or after closing is acting as a "broker," and an institution that acquires a loan from a broker at or after closing is acting as an "investor." (The terms used in this commentary may have different meanings in certain parts of the mortgage lending industry and other terms may be used in place of these terms, for example in the Federal Housing Administration mortgage insurance programs.) Depending on the facts, a broker may or may not make a credit decision on an application (and thus it may or may not have reporting responsibilities). If the broker makes a credit decision, it reports that decision; if it does not make a credit decision, it does not report. If an investor reviews an application and makes a credit decision prior to closing, the investor reports that decision. If the investor does not review the application prior to closing, it reports only the loans that it purchases; it does not report the loans it does not purchase. Thus, an institution that makes a credit decision on an application prior to closing reports that decision regardless of whose name the loan closes in. (Appendix A of this part, Paragraphs IV.A. and V.B.)

6. *Illustrations of the broker rule.* Assume that, prior to closing, four investors receive the same application from a broker; two deny it, one approves it, and one approves it and acquires the loan. In these circumstances, the first two report denials, the third reports the transaction as approved but not accepted, and the fourth reports an origination (whether the loan closes in the name of the broker or the investor). Alternatively, assume that the broker denies a loan before sending it to an investor; in this situation, the broker reports a denial. (Appendix A of this part, Paragraphs IV.A. and V.B.)

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7. *Broker's use of investor's underwriting criteria.* If a broker makes a credit decision based on underwriting criteria set by an investor, but without the investor's review prior to closing, the broker has made the credit decision. The broker reports as an origination a loan that it approves and closes, and reports as a denial an application that it turns down (either because the application does not meet the investor's underwriting guidelines or for some other reason). The investor reports as purchases only those loans it purchases. (Appendix A of this part, Paragraphs IV.A. and V.B.)

8. *Insurance and other criteria.* If an institution evaluates an application based on the criteria or actions of a third party other than an investor (such as a government or private insurer or guarantor), the institution must report the action taken on the application (loan originated, approved but not accepted, or denied, for example). (Appendix A of this part, Paragraphs IV.A. and V.B.)

9. *Credit decision of agent is decision of principal.* If an institution approves loans through the actions of an agent, the institution must report the action taken on the application (loan originated, approved but not accepted, or denied, for example). State law determines whether one party is the agent of another. (Appendix A of this part, Paragraphs IV.A. and V.B.)

10. *Affiliate bank underwriting (250.250 review).* If an institution makes an independent evaluation of the creditworthiness of an applicant (for example, as part of a pre-closing review by an affiliate bank under 12 C.F.R. 250.250, which interprets section 23A of the Federal Reserve Act), the institution is making a credit decision. If the institution then acquires the loan, it reports the loan as an origination whether the loan closes in the name of the institution or its affiliate. An institution that does not acquire the loan but takes another action reports that action. (Appendix A of this part, Paragraphs IV.A. and V.B.)

11. *Participation loan.* An institution that originates a loan and then sells partial interests to other institutions reports the loan as an origination. An institution that acquires only a partial interest in such a loan does not report the transaction even if it has participated in the underwriting and origination of the loan. (Appendix A of this part, Paragraphs I., II., IV., and V.)

12. *Assumptions.* An assumption occurs when an institution enters into a written agreement accepting a new borrower as the obligor on an existing obligation. An institution reports as a home-purchase loan an assumption (or an application for an

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assumption) in the amount of the outstanding principal. If a transaction does not involve a written agreement between a new borrower and the institution, it is not an assumption for HMDA purposes and is not reported. (Appendix A of this part, Paragraphs IV.A. and V.B.)

[Effective for data collected January 1, 2004 -- see above for version effective for data collected until January 1, 2004]

1(c) Scope.

1. *General.* The comments in this section address issues affecting coverage of institutions and exemptions from coverage.

2. *The broker rule and the meaning of "broker" and "investor."* For the purposes of the guidance given in this commentary, an institution that takes and processes a loan application and arranges for another institution to acquire the loan at or after closing is acting as a "broker," and an institution that acquires a loan from a broker at or after closing is acting as an "investor." (The terms used in this commentary may have different meanings in certain parts of the mortgage lending industry, and other terms may be used in place of these terms, for example in the Federal Housing Administration mortgage insurance programs.) Depending on the facts, a broker may or may not make a credit decision on an application (and thus it may or may not have reporting responsibilities). If the broker makes a credit decision, it reports that decision; if it does not make a credit decision, it does not report. If an investor reviews an application and makes a credit decision prior to closing, the investor reports that decision. If the investor does not review the application prior to closing, it reports only the loans that it purchases; it does not report the loans it does not purchase. An institution that makes a credit decision on an application prior to closing reports that decision regardless of whose name the loan closes in.

3. *Illustrations of the broker rule.* Assume that, prior to closing, four investors receive the same application from a broker; two deny it, one approves it, and one approves it and acquires the loan. In these circumstances, the first two report denials, the third reports the transaction as approved but not accepted, and the fourth reports an origination (whether the loan closes in the name of the broker or the investor). Alternatively, assume that the broker denies a loan before sending it to an investor; in this situation, the broker reports a denial.

4. *Broker's use of investor's underwriting criteria.* If a broker makes a credit decision based on underwriting criteria set by an investor, but without the

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investor's review prior to closing, the broker has made the credit decision. The broker reports as an origination a loan that it approves and closes, and reports as a denial an application that it turns down (either because the application does not meet the investor's underwriting guidelines or for some other reason). The investor reports as purchases only those loans it purchases.

5. *Insurance and other criteria.* If an institution evaluates an application based on the criteria or actions of a third party other than an investor (such as a government or private insurer or guarantor), the institution must report the action taken on the application (loan originated, approved but not accepted, or denied, for example).

6. *Credit decision of agent is decision of principal.* If an institution approves loans through the actions of an agent, the institution must report the action taken on the application (loan originated, approved but not accepted, or denied, for example). State law determines whether one party is the agent of another.

7. *Affiliate bank underwriting (250.250 review).* If an institution makes an independent evaluation of the creditworthiness of an applicant (for example, as part of a preclosing review by an affiliate bank under 12 C.F.R. 250.250, which interprets section 23A of the Federal Reserve Act), the institution is making a credit decision. If the institution then acquires the loan, it reports the loan as an origination whether the loan closes in the name of the institution or its affiliate. An institution that does not acquire the loan but takes some other action reports that action.

8. *Participation loan.* An institution that originates a loan and then sells partial interests to other institutions reports the loan as an origination. An institution that acquires only a partial interest in such a loan does not report the transaction even if it has participated in the underwriting and origination of the loan.

9. *Assumptions.* An assumption occurs when an institution enters into a written agreement accepting a new borrower as the obligor on an existing obligation. An institution reports as a home purchase loan an assumption (or an application for an assumption) in the amount of the outstanding principal. If a transaction does not involve a written agreement between a new borrower and the institution, it is not an assumption for HMDA purposes and is not reported.

Reg C Commentary 12 CFR § 203.2 SUPPLEMENT I TO PART 203 / Definitions

Reference

[Effective for data collected until January 1, 2004 -- see below for version effective for data collected after January 1, 2004]

2(b) *Application.*

1. *Consistency with Regulation B.* Board interpretations that appear in the official staff commentary to Regulation B (Equal Credit Opportunity, 12 C.F.R. Part 202, Supplement I) are generally applicable to the definition of an application under Regulation C. However, under Regulation C the definition of an application does not include prequalification requests. (Appendix A of this part, Paragraph IV.A.)

2. *Prequalification.* A prequalification request is a request by a prospective loan applicant for a preliminary determination on whether the prospective applicant would likely qualify for credit under an institution's standards, or on the amount of credit for which the prospective applicant would likely qualify. Some institutions evaluate prequalification requests through a procedure that is separate from the institution's normal loan application process; others use the same process. In either case, Regulation C does not require an institution to report prequalification requests on the HMDA-LAR, even though these requests may constitute applications under Regulation B. (Appendix A of this part, Paragraphs I. and IV.A.)

2(c) *Branch office.*

1. *Credit union.* For purposes of Regulation C, a "branch" of a credit union is any office where member accounts are established or loans are made, whether or not the office has been approved as a branch by a federal or state agency. (See 12 U.S.C. 1752.) (Appendix A of this part, Paragraphs I., V.A.7., and V.C.)

2. *Depository institution.* A branch of a depository institution does not include a loan production office, the office of an affiliate, or the office of a third party such as a loan broker. (Appendix A of this part, Paragraphs I., V.A.7., and V.C.) (But see Appendix A of this part, Paragraph V.C.7., which requires certain depository institutions to report property location even for properties located outside those MSAs in which the institution has a home or branch office.)

3. *Nondepository institution.* A branch of a nondepository institution does not include the office of an affiliate or other third party such as a loan broker.

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(Appendix A of this part, Paragraphs I., V.A.7., and V.C.) (But see Appendix A of this part, Paragraph V.C.6., which requires certain nondepository institutions to report property location even in MSAs where they do not have a physical location.)

2(d) *Dwelling.*

1. *Scope.* The definition of "dwelling" is not limited to the principal or other residence of the applicant or borrower, and thus includes vacation or second homes and rental properties. A dwelling also includes a mobile or manufactured home, a multifamily structure (such as an apartment building), and a condominium or a cooperative unit. Recreational vehicles such as boats or campers are not dwellings for purposes of HMDA. (Appendix A of this part, Paragraphs I.B., IV., and V.A.5.)

2(e) *Financial institution.*

1. *Branches of foreign banks -- treated as a bank.* A federal branch or a state-licensed insured branch of a foreign bank is a "bank" under section 3(a)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1813(a)), and is covered by HMDA if it meets the tests for a depository institution found in §§ 203.2(e)(1) and 203.3(a)(1) of Regulation C. (Appendix A of this part, Paragraphs I.A. and I.B.)

2. *Branches and offices of foreign banks -- treated as a for-profit mortgage lending institution.* Federal agencies, state-licensed agencies, state-licensed uninsured branches of foreign banks, commercial lending companies owned or controlled by foreign banks, and entities operating under section 25 or 25(a) of the Federal Reserve Act, 12 U.S.C. 601 and 611 (Edge Act and Agreement corporations) are not "banks" under the Federal Deposit Insurance Act. These entities are nonetheless covered by HMDA if they meet the tests for a nondepository mortgage lending institution found in §§ 203.2(e)(2) and 203.3(a)(2) of Regulation C. (Appendix A of this part, Paragraphs I.C. and I.D.)

2(f) *Home-improvement loan.*

1. *Definition.* A home-improvement loan is a loan that is made for the purpose of home improvement and that is classified by the institution as a home-improvement loan. (Appendix A of this part, Paragraphs IV. and V.A.5. Code 2.)

2. *Statement of the applicant.* An institution may rely on the oral or written statement of an applicant regarding the proposed use of loan proceeds. (Appendix A of this part, Paragraphs IV. and V.A.5. Code 2.c.)

3. *Home-equity lines.* An institution that has chosen to report home-equity

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lines of credit reports as a home-improvement loan only the part of a home-equity line that is intended for home improvement. An institution that reports home-equity lines reports the disposition of all applications, not just originations. (Appendix A of this part, Paragraphs IV. and V.A.5. Code 2.c.)

4. *Classification requirement.* An institution has "classified" a loan as a home-improvement loan if it has entered the loan on its books as a home-improvement loan, or has otherwise coded or identified the loan as a home-improvement loan. For example, an institution that has booked a loan or reported it on a "call report" as a home-improvement loan has classified it as a home-improvement loan. An institution may also classify loans as home-improvement loans in other ways (for example, by color-coding loan files). (Appendix A of this part, Paragraphs IV. and V.A.5. Code 2.)

5. *Improvements to real property.* Home improvements include improvements both to a dwelling and to the real property on which the dwelling is located (for example, installation of a swimming pool, construction of a garage, or landscaping). (Appendix A of this part, Paragraphs IV. and V.A.5. Code 2.)

6. *Commercial and other loans.* A loan for improvement purposes originated outside an institution's consumer lending division (such as a loan to improve an apartment building made through the commercial loan department) is reported if the institution classifies it as a home-improvement loan. (Appendix A of this part, Paragraphs IV. and V.A.5. Code 1.)

7. *Multiple-purpose loan.* A loan for home improvement and for other purposes is treated as a home-improvement loan even if less than 50 percent of the total loan proceeds are to be used for improvement, provided the institution classifies the loan as a home-improvement loan. (Appendix A of this part, Paragraphs IV. and V.A.5. Code 2.) (But see comment (2)(f)-3 of this supplement on home-equity lines of credit.)

8. *Mixed-use property.* A loan to improve property used for residential and commercial purposes (for example, a building containing apartment units and retail space) satisfies the purpose requirement if the loan proceeds are primarily to improve the residential portion of the property. If the loan proceeds are to improve the entire property (for example, to replace the heating system), the loan satisfies the purpose requirement if the property itself is primarily residential. An institution may use any reasonable standard to determine the primary use of the property, such as by square footage or by the income generated. An institution may select the standard to apply

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on a case-by-case basis. To report the loan as a home-improvement loan, the institution must also classify it as such. (Appendix A of this part, Paragraphs IV. and V.A.5. Code 2.)

2(g) *Home-purchase loan.*

1. *Multiple properties.* A home-purchase loan includes a loan secured by one dwelling and used to purchase another dwelling. (Appendix A of this part, Paragraphs IV. and V.A.5. Code 1.)

2. *Mixed-use property.* A loan to purchase property used primarily for residential purposes (for example, an apartment building containing a convenience store) is a home-purchase loan. An institution may use any reasonable standard to determine the primary use of the property, such as by square footage or by the income generated. An institution may select the standard to apply on a case-by-case basis. (Appendix A of this part, Paragraphs IV.A., IV.B.1., and V.A.5. Code 1.)

3. *Farm loan.* A loan to purchase property used primarily for agricultural purposes is not a home-purchase loan even if the property includes a dwelling. An institution may use any reasonable standard to determine the primary use of the property, such as by reference to the exemption from Regulation X (Real Estate Settlement Procedures, 24 C.F.R. 3500.5(b)(1)) for a loan on property of 25 acres or more. An institution may select the standard to apply on a case-by-case basis. (Appendix A of this part, Paragraphs IV.B.1. and V.A.5. Code 1.)

4. *Commercial and other loans.* A home-purchase loan includes a loan originated outside an institution's residential mortgage lending division (such as a loan for the purchase of an apartment building made through the commercial loan department). For home-purchase loans, there is no classification test. (Appendix A of this part, Paragraphs IV. and V.A.5. Code 1.)

5. *Construction and permanent financing.* A home-purchase loan includes both a combined construction/permanent loan and the permanent financing that replaces a construction-only loan. It does not include a construction-only loan, which is considered "temporary financing" under Regulation C and is not reported. (Appendix A of this part, Paragraphs IV.A. and B.2, and V.A.5. Code 1.)

6. *Home-equity line.* An institution that has chosen to report home-equity lines of credit reports as a home-purchase loan only the part that is intended for home purchase. An institution may rely on the applicant's oral or written statement about the proposed use of the funds. An institution that reports home-equity lines

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reports the disposition of all applications, not just the originations. (Appendix A of this part, Paragraphs IV. and V.A.5. Code 1.)

[Effective for data collected January 1, 2004 -- see above for version effective for data collected until January 1, 2004]

2(b) Application.

1. *Consistency with Regulation B.* Board interpretations that appear in the official staff commentary to Regulation B (Equal Credit Opportunity, 12 C.F.R. part 202, Supplement 1) are generally applicable to the definition of an application under Regulation C. However, under Regulation C the definition of an application does not include prequalification requests.

2. *Prequalification.* A prequalification request is a request by a prospective loan applicant (other than a request for preapproval) for a preliminary determination on whether the prospective applicant would likely qualify for credit under an institution's standards, or for a determination on the amount of credit for which the prospective applicant would likely qualify. Some institutions evaluate prequalification requests through a procedure that is separate from the institution's normal loan application process; others use the same process. In either case, Regulation C does not require an institution to report prequalification requests on the HMDA/LAR, even though these requests may constitute applications under Regulation B for purposes of adverse action notices.

3. *Requests for preapproval.* To be a covered preapproval program, the written commitment issued under the program must result from a full review of the creditworthiness of the applicant, including such verification of income, resources and other matters as is typically done by the institution as part of its normal credit evaluation program. In addition to conditions involving the identification of a suitable property and verification that no material change has occurred in the applicant's financial condition or creditworthiness, the written commitment may be subject only to other conditions (unrelated to the financial condition or creditworthiness of the applicant) that the lender ordinarily attaches to a traditional home mortgage application approval. These conditions are limited to conditions such as requiring an acceptable title insurance binder or a certificate indicating clear termite inspection, and, in the case where the applicant plans to use the proceeds from the sale of the applicant's present home to purchase a new home, a settlement statement showing adequate proceeds from the sale of the present home.

2(c) Branch office.

1. *Credit union.* For purposes of Regulation C, a "branch" of a credit union is any office where member accounts are established or loans are made, whether or not the office has been approved as a branch by a federal or state agency. (See 12 U.S.C. 1752.)

2. *Depository institution.* A branch of a depository institution does not include a loan production office, the office of an affiliate, or the office of a third party such as a loan broker. (But see Appendix A, paragraph I.C.6, which requires certain depository institutions to report property location even for properties located outside those MSAs or Metropolitan Divisions in which the institution has a home or branch office.)

3. *Nondepository institution.* For a nondepository institution, "branch office" does not include the office of an affiliate or other third party such as a loan broker. (But note that certain nondepository institutions must report property location even in MSAs or Metropolitan Divisions where they do not have a physical location.)

2(d) Dwelling .

1. *Coverage.* The definition of "dwelling" is not limited to the principal or other residence of the applicant or borrower, and thus includes vacation or second homes and rental properties. A dwelling also includes a multifamily structure such as an apartment building.

2. *Exclusions.* Recreational vehicles such as boats or campers are not dwellings for purposes of HMDA. Also excluded are transitory residences such as hotels, hospitals, and college dormitories -- whose occupants have principal residences elsewhere.

2(e) Financial institution.

1. *General.* An institution that met the test for coverage under HMDA in year 1, and then ceases to meet the test (for example, because its assets fall below the threshold on December 31 of year 2) stops collecting HMDA data beginning with year 3. Similarly, an institution that did not meet the coverage test for a given year, and then meets the test in the succeeding year, begins collecting HMDA data in the calendar year following the year in which it meets the test for coverage. For example, a for-profit mortgage lending institution (other than a bank, savings association, or

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credit union) that, in year 1, falls below the thresholds specified in Sec. 203.2(e)(2)(ii)(A) and (B), but meets one of them in year 2, need not collect data in year 2, but begins collecting data in year 3.

2. *Adjustment of exemption threshold for depository institutions.* For data collection in 2010, the asset-size exemption threshold is \$40 million [next adjustment January 1, 2012]. Depository institutions with assets at or below \$40 million [next adjustment January 1, 2012] as of December 31, 2010 are exempt from collecting data for 2011.

3. *Coverage after a merger.* Several scenarios of data-collection responsibilities for the calendar year of a merger are described below. Under all the scenarios, if the merger results in a covered institution, that institution must begin data collection January 1 of the following calendar year.

i. Two institutions are not covered by Regulation C because of asset size. The institutions merge. No data collection is required for the year of the merger (even if the merger results in a covered institution).

ii. A covered institution and an exempt institution merge. The covered institution is the surviving institution. For the year of the merger, data collection is required for the covered institution's transactions. Data collection is optional for transactions handled in offices of the previously exempt institution.

iii. A covered institution and an exempt institution merge. The exempt institution is the surviving institution, or a new institution is formed. Data collection is required for transactions of the covered institution that take place prior to the merger. Data collection is optional for transactions taking place after the merger date.

iv. Two covered institutions merge. Data collection is required for the entire year. The surviving or resulting institution files either a consolidated submission or separate submissions for that year.

4. *Originations.* HMDA coverage depends in part on whether an institution has originated home purchase loans. To determine whether activities with respect to a particular loan constitute an origination, institutions should consult, among other parts of the staff commentary, the discussion of the broker rule under Secs. 203.1(c) and 203.4(a).

5. *Branches of foreign banks -- treated as banks.* A federal branch or a

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state-licensed insured branch of a foreign bank is a "bank" under section 3(a)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1813(a)), and is covered by HMDA if it meets the tests for a depository institution found in Sec. 203.2(e)(1) of Regulation C.

6. *Branches and offices of foreign banks -- treated as for-profit mortgage lending institutions.* Federal agencies, state-licensed agencies, state-licensed uninsured branches of foreign banks, commercial lending companies owned or controlled by foreign banks, and entities operating under section 25 or 25A of the Federal Reserve Act, 12 U.S.C. 601 and 611 (Edge Act and agreement corporations) are not "banks" under the Federal Deposit Insurance Act. These entities are nonetheless covered by HMDA if they meet the tests for a for-profit nondepository mortgage lending institution found in Sec. 203.2(e)(2) of Regulation C.

2(g) *Home improvement loan.* 1. Classification requirement for loans not secured by a lien on a dwelling. An institution has "classified" a loan that is not secured by a lien on a dwelling as a home improvement loan if it has entered the loan on its books as a home improvement loan, or has otherwise coded or identified the loan as a home improvement loan. For example, an institution that has booked a loan or reported it on a "call report" as a home improvement loan has classified it as a home improvement loan. An institution may also classify loans as home improvement loans in other ways (for example, by color-coding loan files).

2. *Improvements to real property.* Home improvements include improvements both to a dwelling and to the real property on which the dwelling is located (for example, installation of a swimming pool, construction of a garage, or landscaping).

3. *Commercial and other loans.* A home improvement loan may include a loan originated outside an institution's residential mortgage lending division (such as a loan to improve an apartment building made through the commercial loan department).

4. *Mixed-use property.* A loan to improve property used for residential and commercial purposes (for example, a building containing apartment units and retail space) is a home improvement loan if the loan proceeds are used primarily to improve the residential portion of the property. If the loan proceeds are used to improve the entire property (for example, to replace the heating system), the loan is a home improvement loan if the property itself is primarily residential. An institution may use any reasonable standard to determine the primary use of the property, such as by square footage or by the income generated. An institution may select the standard to

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apply on a case-by-case basis. If the loan is unsecured, to report the loan as a home improvement loan the institution must also have classified it as such.

5. *Multiple-category loans.* If a loan is a home improvement loan as well as a refinancing, an institution reports the loan as a home improvement loan.

2(h) *Home purchase loan.* 1. Multiple properties. A home purchase loan includes a loan secured by one dwelling and used to purchase another dwelling.

2. *Mixed-use property.* A dwelling-secured loan to purchase property used primarily for residential purposes (for example, an apartment building containing a convenience store) is a home purchase loan. An institution may use any reasonable standard to determine the primary use of the property, such as by square footage or by the income generated. An institution may select the standard to apply on a case-by-case basis.

3. *Farm loan.* A loan to purchase property used primarily for agricultural purposes is not a home purchase loan even if the property includes a dwelling. An institution may use any reasonable standard to determine the primary use of the property, such as by reference to the exemption from Regulation X (Real Estate Settlement Procedures, 24 C.F.R. 3500.5(b)(1)) for a loan on property of 25 acres or more. An institution may select the standard to apply on a case-by-case basis.

4. *Commercial and other loans.* A home purchase loan may include a loan originated outside an institution's residential mortgage lending division (such as a loan for the purchase of an apartment building made through the commercial loan department).

5. *Construction and permanent financing.* A home purchase loan includes both a combined construction/permanent loan and the permanent financing that replaces a construction-only loan. It does not include a construction-only loan, which is considered "temporary financing" under Regulation C and is not reported.

6. *Second mortgages that finance the downpayments on first mortgages.* If an institution making a first mortgage loan to a home purchaser also makes a second mortgage loan to the same purchaser to finance part or all the home purchaser's downpayment, the institution reports each loan separately as a home purchase loan.

7. *Multiple-category loans.* If a loan is a home purchase loan as well as a home improvement loan, or a refinancing, an institution reports the loan as a home purchase loan.

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2(i) *Manufactured home* .

1. *Definition of a manufactured home.* The definition in §203.2(i) refers to the federal building code for factory-built housing established by the Department of Housing and Urban Development (HUD). The HUD code requires generally that housing be essentially ready for occupancy upon leaving the factory and being transported to a building site. Modular homes that meet all of the HUD code standards are included in the definition because they are ready for occupancy upon leaving the factory. Other factory-built homes, such as panelized and pre-cut homes, generally do not meet the HUD code because they require a significant amount of construction on site before they are ready for occupancy. Loans and applications relating to manufactured homes that do not meet the HUD code should not be identified as manufactured housing under HMDA.

2(j) *Metropolitan Statistical Areas and Metropolitan Divisions* .

1. *Use of terms "Metropolitan Statistical Area" and "Metropolitan Division."* The U.S. Office of Management and Budget defines Metropolitan Statistical Areas and Metropolitan Divisions to provide nationally consistent definitions for collecting, tabulating, and publishing Federal statistics for a set of geographic areas. OMB divides every Metropolitan Statistical Area (MSA) with a population of 2.5 million or more into Metropolitan Divisions (MDs); MSAs with populations under 2.5 million population are not so divided. 67 FR 82228 (December 27, 2000). For all purposes under Regulation C, if an MSA is divided by OMB into MDs, the appropriate geographic unit to be used is the MD; if an MSA is not so divided by OMB into MDs, the appropriate geographic unit to be used in the MSA.

Reg C Commentary 12 CFR § 203.3 SUPPLEMENT I TO PART 203 / Exempt Institutions

Reference

~~3(a) Exemption based on location, asset size, or number of home purchase loans.~~

~~1. General. An institution that ceases to meet the tests for HMDA coverage (such as the 10 percent test for nondepository institutions) or becomes exempt may stop collecting HMDA data beginning with the next calendar year. For example, a bank whose assets are at or below the threshold on December 31 of a given year reports data for that full calendar year, in which it was covered, but does not report data for the succeeding calendar year. (Appendix A of this part, Paragraph I.)~~

~~2. Adjustment of exemption threshold for depository institutions. For data collection in 2003, the asset size exemption threshold is \$32 million. Depository institutions with assets at or below \$32 million are exempt from collecting data for 2003.~~

~~3. Coverage after a merger. Several scenarios of data collection responsibilities for the calendar year of a merger are described below. Under all the scenarios, if the merger results in a covered institution, that institution must begin data collection January 1 of the following calendar year. (Appendix A of this part, Paragraph I.)~~

~~i. Two institutions are exempt from Regulation C because of asset size. The institutions merge. No data collection is required for the year of the merger (even if the merger results in a covered institution).~~

~~ii. A covered institution and an exempt institution merge. The covered institution is the surviving institution. For the year of the merger, data collection is required for the covered institution's transactions. Data collection is optional for transactions handled in offices of the previously exempt institution.~~

~~iii. A covered institution and an exempt institution merge. The exempt institution is the surviving institution, or a new institution is formed. Data collection is required for transactions of the covered institution that take place prior to the merger. Data collection is optional for transactions taking place after the merger date.~~

~~iv. Two covered institutions merge. Data collection is required for~~

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~~the entire year. The surviving or resulting institution files either a consolidated submission or separate submissions for that year.~~

~~4. *Mergers versus purchases in bulk.* If a covered institution acquires loans in bulk from another institution (for example, from the receiver for a failed institution) but no merger or acquisition of an institution is involved, the institution reports the loans as purchased loans. (Appendix A of this part, Paragraph V.B.)~~

**Reg C Commentary 12 CFR § 203.4 SUPPLEMENT I TO PART 203 / Compilation
of Loan Data**

[Reference](#)

4(a) Data Format and Itemization.

1. *Reporting requirements.*

i. An institution reports data on loans that it originated and loans that it purchased during the calendar year described in the report. An institution reports these data even if the loans were subsequently sold by the institution.

ii. An institution reports the data for loan applications that did not result in originations -- for example, applications that the institution denied or that the applicant withdrew during the calendar year covered by the report.

iii. In the case of brokered loan applications or applications forwarded through a correspondent, the institution reports as originations the loans that it approved and subsequently acquired per a pre-closing arrangement (whether or not they closed in the institution's name). Additionally, the institution reports the data for all applications that did not result in originations -- for example, applications that the institution denied or that the applicant withdrew during the calendar year covered by the report (whether or not they would have closed in the institution's name). For all of these loans and applications, the institution reports the required data regarding the borrower's or applicant's ethnicity, race, sex, and income.

iv. Loan originations are to be reported only once. If the institution is the loan broker or correspondent, it does not report as originations the loans that it forwarded to another lender for approval prior to closing, and that were approved and subsequently acquired by that lender (whether or not they closed in the institution's name).

v. An institution reports applications that were received in the previous calendar year but were acted upon during the calendar year covered by the current register.

vi. A financial institution submits all required data to its supervisory agency in one package, with the prescribed transmittal sheet. An officer of the institution certifies to the accuracy of the data.

vii. The transmittal sheet states the total number of line entries

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contained in the accompanying data transmission.

2. *Updating -- agency requirements.* Certain state or federal regulations, such as the Federal Deposit Insurance Corporation's regulations, may require an institution to update its data more frequently than is required under Regulation C.

3. *Form of quarterly updating.* An institution may maintain the quarterly updates of the HMDA/LAR in electronic or any other format, provided the institution can make the information available to its regulatory agency in a timely manner upon request.

4. Transition rules for applications received before January 1, 2004, when final action is taken on or after January 1, 2004. For applications received before January 1, 2004, on which final action is taken on or after January 1, 2004, data must be collected and reported on the HMDA/LAR under the revisions to Regulation C that take effect on January 1, 2004, subject to the exceptions for property type, loan purpose, requests for preapproval, applicant information, and rate spread set forth in this comment.

i. Property type. Lenders need not determine whether an application received before January 1, 2004, involves a manufactured home, and may report the property type as 1-to 4-family.

ii. Loan purpose. For applications received before January 1, 2004, lenders may use the definitions of a home improvement loan and a refinancing that were in effect in 2003. For example, a lender need not report data on an application received before January 1, 2004, for a dwelling-secured loan made for the purpose of home improvement, if the lender did not classify the loan as a home improvement loan. Similarly, a lender may report data on an application for a refinancing received in 2003, where the new obligation will be, but the existing obligation was not, secured by a lien on a dwelling.

iii. Requests for preapproval. For requests received before January 1, 2004, lenders need not report requests for preapproval (as that term is defined in Sec. 203.2(b)(2) of the revised Regulation C) that do not result in a traditional loan application. Lenders may, at their option, report requests for preapproval that are denied or that are approved but not accepted. In addition, lenders need not specify whether an application for a home purchase loan involved a request for preapproval, and should use code 3 (Not Applicable) in the preapproval field on the HMDA/LAR.

iv. Applicant information. For applications received before January 1, 2004,

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lenders must collect data on race or national origin using the categories in effect in 2003, and must convert the data to the codes in effect in 2004 for reporting, using the following conversion guide:

(A) Ethnicity. The revised Regulation C requires lenders to request an applicant's ethnicity first (Hispanic or Latino, Not Hispanic or Latino), and then to request the applicant's race. The HMDA/LAR has been revised accordingly, so that ethnicity and race are distinct fields.

(1) If the applicant's race was identified as Hispanic (code 4) in 2003, use code 1 (Hispanic or Latino) for reporting ethnicity.

(2) If the applicant's race was identified as American Indian or Alaskan Native, Asian or Pacific Islander, Black, White, Other, or Not Applicable (codes 1, 2, 3, 5, 6, or 8) in 2003, use code 4 (Not Applicable) for reporting ethnicity.

(3) If the applicant did not provide information on race in a mail, Internet, or telephone application (code 7) in 2003, use code 3 (information not provided by applicant in mail, Internet, or telephone application) for reporting ethnicity.

(B) Race.

(1) If the applicant's race was identified as American Indian or Alaskan Native, Black, or White in 2003, use the corresponding code for 2004. For example, if the applicant's race was identified as Black (code 3) in 2003, use code 3 (Black or African-American) for reporting race in 2004.

(2) If the applicant's race was identified as Asian or Pacific Islander in 2003, use code 2 (Asian).

(3) If the applicant's race was identified as Hispanic in 2003, use code 7 (Not Applicable).

(4) If the applicant's race was identified as Other in 2003, use code 7 (Not Applicable).

(5) If the applicant did not provide information on race in a mail, Internet, or telephone application (code 7) in 2003, use code 6 (Information not provided by applicant in mail, Internet, or telephone application).

(6) If the applicant's race was identified as Not Applicable (code 8) in 2003, use code 7 (Not Applicable).

(C) Sex. For applications received before January 1, 2004, in which there is no

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co-applicant, the lender may use code 4 (Not Applicable) in the field provided for the co-applicant's sex.

v. Rate Spread. For applications received before January 1, 2004, in which the rate lock occurred before January 1, 2004, lenders may report NA (Not Applicable) for rate spread. For applications received before January 1, 2004, for which the rate lock occurred after January 1, 2004, lenders must calculate and report the rate spread in accordance with the rules set forth in new section 202.4(a)(12) (see 67 FR 7222 (Feb. 15, 2002); 67 FR 43223 (June 27, 2002)).

(A) Example: Assume an application is received on December 1, 2003; the rate lock occurs on December 26, 2003, and the loan is originated on January 15, 2004. The lender may report NA (Not Applicable) for rate spread.

(B) Example: Assume an application is received on December 15, 2003; the rate lock occurs on January 3, 2004, and the loan is originated on January 15, 2004. The lender must calculate and report the rate spread in accordance with the rules in new section 202.4(a)(12) (see 67 FR 7222 (Feb. 15, 2002); 67 FR 43223 (June 27, 2002)).

4(a)(1) Application number and application date.

1. *Application date -- consistency.* In reporting the date of application, an institution reports the date the application was received or the date shown on the application. Although an institution need not choose the same approach for its entire HMDA submission, it should be generally consistent (such as by routinely using one approach within a particular division of the institution or for a category of loans).

2. *Application date -- application forwarded by a broker.* For an application forwarded by a broker, an institution reports the date the application was received by the broker, the date the application was received by the institution, or the date shown on the application. Although an institution need not choose the same approach for its entire HMDA submission, it should be generally consistent (such as by routinely using one approach within a particular division of the institution or for a category of loans).

3. *Application date -- reinstated application.* If, within the same calendar year, an applicant asks an institution to reinstate a counteroffer that the applicant previously did not accept (or asks the institution to reconsider an application that was denied, withdrawn, or closed for incompleteness), the institution may treat that request as the continuation of the earlier transaction or as a new transaction. If the institution treats the request for reinstatement or reconsideration as a new

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transaction, it reports the date of the request as the application date.

4. *Application or loan number.* An institution must ensure that each identifying number is unique within the institution. If an institution's register contains data for branch offices, for example, the institution could use a letter or a numerical code to identify the loans or applications of different branches, or could assign a certain series of numbers to particular branches to avoid duplicate numbers. Institutions are strongly encouraged not to use the applicant's or borrower's name or social security number, for privacy reasons.

5. *Application -- year action taken.* An institution must report an application in the calendar year in which the institution takes final action on the application.

Paragraph 4(a)(3) Purpose.

1. *Purpose -- statement of applicant.* An institution may rely on the oral or written statement of an applicant regarding the proposed use of loan proceeds. For example, a lender could use a check-box, or a purpose line, on a loan application to determine whether or not the applicant intends to use loan proceeds for home improvement purposes.

2. *Purpose -- multiple-purpose loan.* If a loan is a home purchase loan as well as a home improvement loan, or a refinancing, an institution reports the loan as a home purchase loan. If a loan is a home improvement loan as well as a refinancing, an institution reports the loan as a home improvement loan.

Paragraph 4(a)(6) Occupancy.

1. *Occupancy -- multiple properties.* If a loan relates to multiple properties, the institution reports the owner occupancy status of the property for which property location is being reported. (See the comments to paragraph 4(a)(9), Property location.)

Paragraph 4(a)(7) Loan amount.

1. *Loan amount -- counteroffer.* If an applicant accepts a counteroffer for an amount different from the amount initially requested, the institution reports the loan amount granted. If an applicant does not accept a counteroffer or fails to respond, the institution reports the loan amount initially requested.

2. *Loan amount -- multiple-purpose loan.* Except in the case of a

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home-equity line of credit, an institution reports the entire amount of the loan, even if only a part of the proceeds is intended for home purchase or home improvement.

3. *Loan amount -- home-equity line.* An institution that has chosen to report home-equity lines of credit reports only the part that is intended for home-improvement or home-purchase purposes.

4. *Loan amount -- assumption.* An institution that enters into a written agreement accepting a new party as the obligor on a loan reports the amount of the outstanding principal on the assumption as the loan amount.

Paragraph 4(a)(8) Type of action taken and date.

1. *Action taken -- counteroffers.* If an institution makes a counteroffer to lend on terms different from the applicant's initial request (for example, for a shorter loan maturity or in a different amount) and the applicant does not accept the counteroffer or fails to respond, the institution reports the action taken as a denial on the original terms requested by the applicant.

2. *Action taken -- rescinded transactions.* If a borrower rescinds a transaction after closing, the institution may report the transaction either as an origination or as an application that was approved but not accepted.

3. *Action taken -- purchased loans.* An institution reports the loans that it purchased during the calendar year, and does not report the loans that it declined to purchase.

4. *Action taken -- conditional approvals.* If an institution issues a loan approval subject to the applicant's meeting underwriting conditions (other than customary loan commitment or loan-closing conditions, such as a clear-title requirement or an acceptable property survey) and the applicant does not meet them, the institution reports the action taken as a denial.

5. *Action taken date -- approved but not accepted.* For a loan approved by an institution but not accepted by the applicant, the institution reports any reasonable date, such as the approval date, the deadline for accepting the offer, or the date the file was closed. Although an institution need not choose the same approach for its entire HMDA submission, it should be generally consistent (such as by routinely using one approach within a particular division of the institution or for a category of loans).

6. *Action taken date -- originations.* For loan originations, an institution

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generally reports the settlement or closing date. For loan originations that an institution acquires through a broker, the institution reports either the settlement or closing date, or the date the institution acquired the loan from the broker. If the disbursement of funds takes place on a date later than the settlement or closing date, the institution may use the date of disbursement. For a construction/permanent loan, the institution reports either the settlement or closing date, or the date the loan converts to the permanent financing. Although an institution need not choose the same approach for its entire HMDA submission, it should be generally consistent (such as by routinely using one approach within a particular division of the institution or for a category of loans). Notwithstanding this flexibility regarding the use of the closing date in connection with reporting the date action was taken, the year in which an origination goes to closing is the year in which the institution must report the origination.

7. *Action taken -- pending applications.* An institution does not report any loan application still pending at the end of the calendar year; it reports that application on its register for the year in which final action is taken.

Paragraph 4(a)(9) Property location.

1. *Property location -- multiple properties (home improvement/refinance of home improvement).* For a home improvement loan, an institution reports the property being improved. If more than one property is being improved, the institution reports the location of one of the properties or reports the loan using multiple entries on its HMDA/LAR (with unique identifiers) and allocating the loan amount among the properties.

2. *Property location -- multiple properties (home purchase/refinance of home purchase).* For a home purchase loan, an institution reports the property taken as security. If an institution takes more than one property as security, the institution reports the location of the property being purchased if there is just one. If the loan is to purchase multiple properties and is secured by multiple properties, the institution reports the location of one of the properties or reports the loan using multiple entries on its HMDA/LAR (with unique identifiers) and allocating the loan amount among the properties.

3. *Property location -- loans purchased from another institution.* The requirement to report the property location by census tract in a MSA or Metropolitan Division where the institution has a home or branch office applies not only to loan applications and originations but also to loans purchased from another institution.

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This includes loans purchased from an institution that did not have a home or branch office in that MSA or Metropolitan Division and did not collect the property-location information.

4. *Property location -- mobile or manufactured home.* If information about the potential site of a mobile or manufactured home is not available, an institution reports using the code for "not applicable."

Paragraph 4(a)(10) Applicant and income data.

1. *Applicant data -- completion by applicant.* An institution reports the monitoring information as provided by the applicant. For example, if an applicant checks the "Asian" box the institution reports using the "Asian" code.

2. *Applicant data -- completion by lender.* If an applicant fails to provide the requested information for an application taken in person, the institution reports the data on the basis of visual observation or surname.

3. *Applicant data -- application completed in person.* When an applicant meets in person with a lender to complete an application that was begun by mail, Internet, or telephone, the institution must request the monitoring information. If the meeting occurs after the application process is complete, for example, at closing, the institution is not required to obtain monitoring information.

4. *Applicant data -- joint applicant.* A joint applicant may enter the government monitoring information on behalf of an absent joint applicant. If the information is not provided, the institution reports using the code for "information not provided by applicant in mail, Internet, or telephone application."

5. *Applicant data -- video and other electronic-application processes.* An institution that accepts applications through electronic media with a video component treats the applications as taken in person and collects the information about the ethnicity, race, and sex of applicants. An institution that accepts applications through electronic media without a video component (for example, the Internet or facsimile) treats the applications as accepted by mail.

6. *Income data -- income relied on.* An institution reports the gross annual income relied on in evaluating the creditworthiness of applicants. For example, if an institution relies on an applicant's salary to compute a debt-to-income ratio but also relies on the applicant's annual bonus to evaluate creditworthiness, the institution reports the salary and the bonus to the extent relied upon. Similarly, if an institution

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relies on the income of a cosigner to evaluate creditworthiness, the institution includes this income to the extent relied upon. But an institution does not include the income of a guarantor who is only secondarily liable.

7. *Income data -- co-applicant.* If two persons jointly apply for a loan and both list income on the application, but the institution relies only on the income of one applicant in computing ratios and in evaluating creditworthiness, the institution reports only the income relied on.

8. *Income data -- loan to employee.* An institution may report "NA" in the income field for loans to its employees to protect their privacy, even though the institution relied on their income in making its credit decisions.

Paragraph 4(a)(11) Purchaser.

1. *Type of purchaser -- loan-participation interests sold to more than one entity.* An institution that originates a loan, and then sells it to more than one entity, reports the "type of purchaser" based on the entity purchasing the greatest interest, if any. If an institution retains a majority interest, it does not report the sale.

2. *Type of purchaser -- swapped loans.* Loans "swapped" for mortgage-backed securities are to be treated as sales; the purchaser is the type of entity receiving the loans that are swapped.

Paragraph 4(a)(12) Rate spread information.

1. *Treasury securities of comparable maturity.* To determine the yield on a Treasury security, lenders must use the table entitled "Treasury Securities of Comparable Maturity under Regulation C," which will be published on the FFIEC's Web Site (www.ffiec.gov/hmda) and made available in paper form upon request. This table will provide, for the 15th day of each month, Treasury security yields for every available loan maturity. The applicable Treasury yield date will depend on the date on which the financial institution set the interest rate on the loan for the final time before closing. See Appendix A, Paragraphs I.G.1. and 2.

Paragraph 4(a)(14) Lien status .

1. *Determining lien status for applications and loans originated;* i. Lenders are required to report lien status for loans they originate and applications that do not result in originations. Lien status is determined by reference to the best information readily available to the lender at the time final action is taken and to the lender's own procedures. Thus, lenders may rely on the title search they routinely perform as part

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of their underwriting procedures -- for example, for home purchase loans. Regulation C does not require lenders to perform title searches solely to comply with HMDA reporting requirements. Lenders may rely on other information that is readily available to them at the time final action is taken and that they reasonably believe is accurate, such as the applicant's statement on the application or the applicant's credit report. For example, where the applicant indicates on the application that there is a mortgage on the property or where the applicant's credit report shows that the applicant has a mortgage -- and that mortgage is not going to be paid off as part of the transaction -- the lender may assume that the loan it originates is secured by a subordinate lien. If the same application did not result in an origination -- for example, because the application is denied or withdrawn -- the lender would report the application as an application for a subordinate-lien loan.

ii. Lenders may also consider their established procedures when determining lien status for applications that do not result in originations. For example, a consumer applies to a lender to refinance a \$100,000 first mortgage; the consumer also has a home equity line of credit for \$20,000. If the lender's practice in such a case is to ensure that it will have first-lien position -- through a subordination agreement with the holder of the mortgage on the home equity line -- then the lender should report the application as an application for a first-lien loan.

Paragraph 4(c)(3) Optional data -- home-equity lines of credit.

1. An institution that opts to report home-equity lines reports the disposition of all applications, not just originations.

Paragraph 4(d) Excluded data.

1. *Mergers, purchases in bulk, and branch acquisitions.* If a covered institution acquires loans in bulk from another institution (for example, from the receiver for a failed institution) but no merger or acquisition of the institution, or acquisition of a branch, is involved, the institution reports the loans as purchased loans.

**Reg C Commentary 12 CFR § 203.5 SUPPLEMENT I TO PART 203 / Disclosure
and Reporting**

[Reference](#)

[Effective for data collected until January 1, 2004 -- see below for version
effective for data collected after January 1, 2004]

5(a) Reporting to agency.

1. Change in supervisory agency. If the supervisory agency for a covered institution changes (as a consequence of a merger or a change in the institution's charter, for example), the institution reports data to its new supervisory agency for the year of the change and subsequent years. (Appendix A of this part, Paragraphs I., III. and VI.)

2. Subsidiaries. An institution is a subsidiary of a bank or savings association (for purposes of reporting HMDA data to the parent's supervisory agency) if the bank or savings association holds or controls an ownership interest that is greater than 50 percent of the institution. (Appendix A of this part, Paragraph I.E. and VI.)

5(e) Notice of availability.

1. Poster -- suggested text. The suggested wording of the poster text provided in Appendix A of this part is optional. An institution may use other text that meets the requirements of the regulation. (Appendix A of this part, Paragraph III.F.)

[Effective for data collected January 1, 2004 -- see above for version effective for
data collected until January 1, 2004]

Paragraph 5(a) Reporting to agency.

1. *Submission of data.* Institutions submit data to their supervisory agencies in an automated, machine-readable form. The format must conform to that of the HMDA/LAR. An institution should contact its federal supervisory agency for information regarding procedures and technical specifications for automated data submission; in some cases, agencies also make software available for automated data submission. The data are edited before submission, using the edits included in the agency-supplied software or equivalent edits in software available from vendors or developed in-house.

2. *Submission in paper form.* Institutions that report twenty-five or fewer

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entries on their HMDA/LAR may collect and report the data in paper form. An institution that submits its register in nonautomated form sends two copies that are typed or computer printed and must use the format of the HMDA/LAR (but need not use the form itself). Each page must be numbered along with the total number of pages (for example, "Page 1 of 3").

3. *Procedures for entering data.* The required data are entered in the register for each loan origination, each application acted on, and each loan purchased during the calendar year. The institution should decide on the procedure it wants to follow -- for example, whether to begin entering the required data, when an application is received, or to wait until final action is taken (such as when a loan goes to closing or an application is denied).

4. *Options for collection.* An institution may collect data on separate registers at different branches, or on separate registers for different loan types (such as for home purchase or home improvement loans, or for loans on multifamily dwellings). Entries need not be grouped on the register by MSA or Metropolitan Division, or chronologically, or by census tract numbers, or in any other particular order.

5. *Change in supervisory agency.* If the supervisory agency for a covered institution changes (as a consequence of a merger or a change in the institution's charter, for example), the institution must report data to its new supervisory agency beginning with the year of the change.

6. *Subsidiaries.* An institution is a subsidiary of a bank or savings association (for purposes of reporting HMDA data to the parent's supervisory agency) if the bank or savings association holds or controls an ownership interest that is greater than 50 percent of the institution.

7. *Transmittal sheet -- additional data submissions.* If an additional data submission becomes necessary (for example, because the institution discovers that data were omitted from the initial submission, or because revisions are called for, that submission must be accompanied by a transmittal sheet.

8. *Transmittal sheet -- revisions or deletions.* If a data submission involves revisions or deletions of previously submitted data, it must state the total of all line entries contained in that submission, including both those representing revisions or deletions of previously submitted entries, and those that are being resubmitted unchanged or are being submitted for the first time. Depository institutions must

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provide a list of the MSAs or Metropolitan Divisions in which they have home or branch offices.

Paragraph 5(b) Public disclosure of statement.

1. *Business day.* For purposes of Sec. 203.5, a business day is any calendar day other than a Saturday, Sunday, or legal public holiday.

2. *Format.* An institution may make the disclosure statement available in paper form or, if the person requesting the data agrees, in automated form (such as by PC diskette or CD Rom).

Paragraph 5(c) Public disclosure of modified loan/application register.

1. *Format.* An institution may make the modified register available in paper or automated form (such as by PC diskette or computer tape). Although institutions are not required to make the modified register available in census tract order, they are strongly encouraged to do so in order to enhance its utility to users.

Paragraph 5(e) Notice of availability.

1. *Poster -- suggested text.* An institution may use any text that meets the requirements of the regulation. Some of the federal financial regulatory agencies and HUD provide HMDA posters that an institution can use to inform the public of the availability of its HMDA data, or the institution may create its own posters. If an institution prints its own, the following language is suggested but is not required:

Home Mortgage Disclosure Act Notice

The HMDA data about our residential mortgage lending are available for review. The data show geographic distribution of loans and applications; ethnicity, race, sex, and income of applicants and borrowers; and information about loan approvals and denials. Inquire at this office regarding the locations where HMDA data may be inspected.

2. *Additional language for institutions making the disclosure statement available on request.* An institution that posts a notice informing the public of the address to which a request should be sent could include the following sentence, for example, in its general notice: "To receive a copy of these data send a written request to [address]."

Reg C Commentary 12 CFR § 203.6 SUPPLEMENT I TO PART 203 / Enforcement

[Reference](#)

[Effective for data collected until January 1, 2004 -- see below for version effective for data collected after January 1, 2004]

6(b) Bona fide errors.

1. *Bona fide error -- information from third parties.* An institution that obtains the property location information for applications and loans from third parties (such as appraisers or vendors of "geocoding" services) is responsible for ensuring that the information reported on its HMDA-LAR is correct. An incorrect entry for a census tract number is a bona fide error, and is not a violation of the act or regulation, provided that the institution maintains reasonable procedures to avoid such errors (for example, by conducting periodic checks of the information obtained from these third parties). (Appendix A of this part, Paragraph V.C.)

[Effective for data collected January 1, 2004 -- see above for version effective for data collected until January 1, 2004]

Paragraph 6(b) Bona fide errors.

1. Bona fide error -- information from third parties. An institution that obtains the property-location information for applications and loans from third parties (such as appraisers or vendors of "geocoding" services) is responsible for ensuring that the information reported on its HMDA/LAR is correct.

By order of the Board of Governors of the Federal Reserve
System, February 5, 2002.

Jennifer J. Johnson,
Secretary of the Board.

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HMDA FAQs **Frequently Asked Questions About the New HMDA Data (April 3,
2006)**

[Reference](#)

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