

HMDA POLICY MANUAL

Table of Contents

CHAPTER 1	EXECUTIVE SUMMARY	1
1.1	REGULATORY AMENDMENTS	1
1.1.1	2015 Final Rule Change	1
1.1.2	2017 Final Rule Changes	1
1.1.3	Pub. L. 115-174 Sec.104(EGRRCPA) HMDA Adjustment and Study	1
1.2	PENALTIES	1
CHAPTER 2	THE HOME MORTGAGE DISCLOSURE ACT (HMDA, REG. C)	1
2.1	PURPOSE	1
2.2	AVAILABILITY OF DATA	1
2.3	DEFINITIONS	1
2.4	OTHER DEFINITIONS	1
2.5	EXEMPTIONS AND EXCLUSIONS	1
2.5.1	State Chartered/License Exemptions	1
2.5.2	Insured Depository and Credit Union Partial Exemption	1
2.5.3	Exclusions	1
2.6	REGULATORY OVERSIGHT	1
2.7	ANNUAL SELF-EVALUATION	1
CHAPTER 3	HMDA PROCESS	1
3.1	COVERAGE ASSESSMENT	1
3.1.1	Institutional Coverage	1
3.1.2	Transactional Coverage	1
3.2	DATA COLLECTION	1
3.2.1	Quarterly Updates	1
3.3	DATA QUALITY CONTROL	1
3.4	PREPARING FOR SUBMISSION	1
3.5	SUBMISSION OF THE LAR	1
3.6	POST-SUBMISSION, RESUBMISSION, AND DISCLOSURE REQUIREMENTS	1
3.6.1	Modified LAR	1
3.6.2	Aggregated Data	1
3.6.3	Notice of Availability	1
3.6.4	Resubmission Guidelines	1
CHAPTER 4	INTERNAL OVERSIGHT	1
4.1	REQUIRED REVIEW	1
4.2	INTERNAL CONTROLS	1
4.3	EXECUTIVE OVERSIGHT	1
4.4	HMDA COMPLIANCE OFFICER DUTIES	1

HMDA POLICY MANUAL

CHAPTER 5	STAFF TRAINING REQUIREMENTS	1
5.1	ONGOING TRAINING	1
5.2	NEW HIRE TRAINING	1
CHAPTER 6	APPENDIX	1
6.1	DATA ELEMENTS	1
6.1.1	New Data Elements	1
6.1.2	Changed Data Elements	1
6.1.3	Unchanged Data Elements	1
6.1.4	Tolerances	1
6.2	INSTITUTIONAL COVERAGE CHART	1
6.3	TRANSACTIONAL COVERAGE TEST PROCESS	1
6.3.1	Purpose test	1
6.3.2	Dwelling test	1
6.3.3	Extension of Credit Test	1
6.3.4	Other Exclusions	1
6.3.5	Volume Test IF Covered Loan	1
6.4	SAMPLE SIZE AND THRESHOLDS	1

HMDA POLICY MANUAL

Chapter 1 Executive Summary

Regulation C implements the Home Mortgage Disclosure Act (HMDA), which requires a financial institution to submit to its Federal regulator and to the public for disclosure, data about the applications for covered loans it receives, or loans that the institution originates or purchases secured by a dwelling located in any state of the United States of America, the District of Columbia, or the Commonwealth of Puerto Rico.

The purpose of this policy is to implement consumer protection mechanisms as required by the United States statutes and related regulations administered by the Consumer Financial Protection Bureau (CFPB) and other prudential regulators.

1.1 Regulatory Amendments

1.1.1 2015 Final Rule Change

The October 15, 2015 HMDA Final Rule, issued by the Consumer Financial Protection Bureau (CFPB), covers four areas and became effective January 1, 2018 for on-going data collection reported in 2019 forward:

1. The types of institutions required to collect and report HMDA data
2. The types of transactions and applications subject to collection and reporting requirements
3. The data that must be collected and reported
4. The method and frequency of reporting data and making data available to the public

1.1.2 2017 Final Rule Changes

The August 24, 2017 HMDA Final Rule provides the following changes:

- A temporary increase to the institutional and transactional coverage thresholds for open-end lines of credit from 100 to 500 for the 2018 and 2019 calendar years
- Establishment of a new reporting exclusion and optional reporting for certain transactions and data points
- Clarification of certain key terms from the 2015 HMDA Rule
- Clarification of collection and reporting of race and ethnicity

On September 20, 2017, the CFPB published an amendment to ECOA to provide lender's greater flexibility to comply with the 2015 HMDA final rule's data collection.

1.1.3 Pub. L. 115-174 Sec.104(EGRRCPA) HMDA Adjustment and Study

The EGRRCPA was signed into public law on 5/24/2018. This amendment provides and

HMDA POLICY MANUAL

- The institution's Legal Entity Identifier (LEI)
- The institution's internally-generated application number that may contain a maximum of 23 numbers and/or letters but may not use the applicant's personally identifiable information such as a social security number; followed by
- A check digit that is determined in accordance with instructions found in Appendix C to Regulation C.

Validity Edits

Pertains to pre- and post-submission data integrity errors requiring correction. Looks for certain logical associations between various fields and can signify geocoding errors. The most common example of a validity edit is to denote erroneous census tract information. Validity edits are preceded by the letter "V." and must be corrected prior to being accepted into the CFPB HMDA Platform

2.4 Exemptions and Exclusions

2.4.1 State Chartered/License Exemptions

Choose State Chartered or Not

2.4.2 Partial Exemption (Insured Depositories and Credit Unions)

Choose Institution Type

2.4.3 Exclusions

The following transactions are not subject to HMDA reporting requirements:

1. A closed-end mortgage loan or open-end line of credit originated or purchased by «Company» acting in a fiduciary capacity.
2. A closed-end mortgage loan or open-end line of credit secured by a lien on unimproved land.
3. Temporary financing.
4. The purchase of an interest in a pool of closed-end mortgage loans or open-end lines of credit.
5. The purchase solely of the right to service closed-end mortgage loans or open-end lines of credit.
6. The purchase of closed-end mortgage loans or open-end lines of credit as part of a merger or acquisition, or as part of the acquisition of all the assets and liabilities of a branch office as defined in §1003.2(c) of the Act.