

# CFPB Home Mortgage Disclosure Act (HMDA) Final Rule

Webinar | August 4, 2016



Consumer Financial  
Protection Bureau

*This document is current as of the date set forth on the document. It has not been updated to reflect the changes and clarifications set forth in the HMDA final rule issued on August 24, 2017. The Bureau will post an updated document when it is available.*

# Topics

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## Regulation C, the Bureau's HMDA rule

1. Overview of the final rule
2. Institutional coverage
3. Transactional coverage
4. Data disclosure and submission process
5. Key dates

# General Disclaimer

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- This presentation is current as of August 4<sup>th</sup> 2016.
- This presentation does not represent legal interpretation, guidance, or advice of the Bureau.
- While efforts have been made to ensure accuracy, only the rule and its Official Interpretations can provide complete and definitive information regarding requirements.

# Overview of the final rule

## Background

# Background Information

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**1975**

# Background Information

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1975



1976

# HMDA's Purposes

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# HMDA's Purposes

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# HMDA's Purposes

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# Who Uses the Data?

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Public  
officials

# Who Uses the Data?

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Public  
officials



Communities

# Who Uses the Data?

---



Public  
officials



Communities



Mortgage  
industry

# Expansion of HMDA and Regulation C

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Changing needs  
of homeowners



Evolution of  
Mortgage market

# Expansion of HMDA and Regulation C

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2010

July 24, 2014

October 15, 2015



## Dodd Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act)

- Amended HMDA
- Transferred rulemaking authority from Federal Reserve Board to the Bureau
- Added new reporting requirements

# Amending Regulation C

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2010

**July 24, 2014**

October 15, 2015

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Proposed amendments to Regulation C to implement Dodd-Frank changes

- Received, reviewed and considered approximately 400 comments

# Amending Regulation C

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2010

July 24, 2014

**October 15, 2015**

---



Issued final rule that changes:

- Institutions subject to Regulation C
- Transactions subject to Regulation C
- Data collection and reporting requirements
- Process for reporting and disclosing data



# Amending Regulation C

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What institutions and transactions are subject to Regulation C under the final rule?

**Submissions**

**Disclosures**

**Key Dates**

# Institutional coverage

Home Mortgage Disclosure Act (HMDA)  
Regulation C - Final Rule

# What is a financial institution?

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**HMDA**

# What is a financial institution?

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Phase 1

Definition  
Regulation C  
§ 1003.2

Phase 2

# Regulation C

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Phase 1



**2017**

# Regulation C

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Phase 1

Phase 1  
tests

# Regulation C

---

Phase 1  
tests



Bank



Savings association



Credit Union

# Regulation C

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Phase 1  
tests

Asset-Size

Location

Loan Activity

Federally Related

Loan Volume



# Regulation C

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## The change for 2017

25 Home  
Purchases

# Regulation C

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## The change for 2017

25 Home  
Purchases



2015



2016

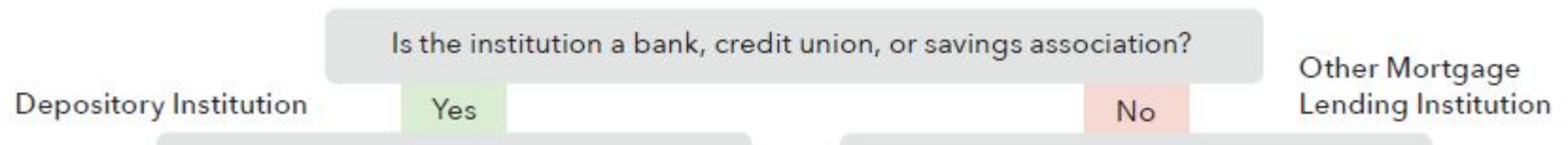
## WHO MUST REPORT

# HMDA institutional coverage



The precise criteria for whether an institution is covered by Regulation C are codified in the definition of financial institution in 12 CFR § 1003.2. These criteria are illustrated by the following diagrams.

## Coverage criteria | Effective January 1 - December 31, 2017

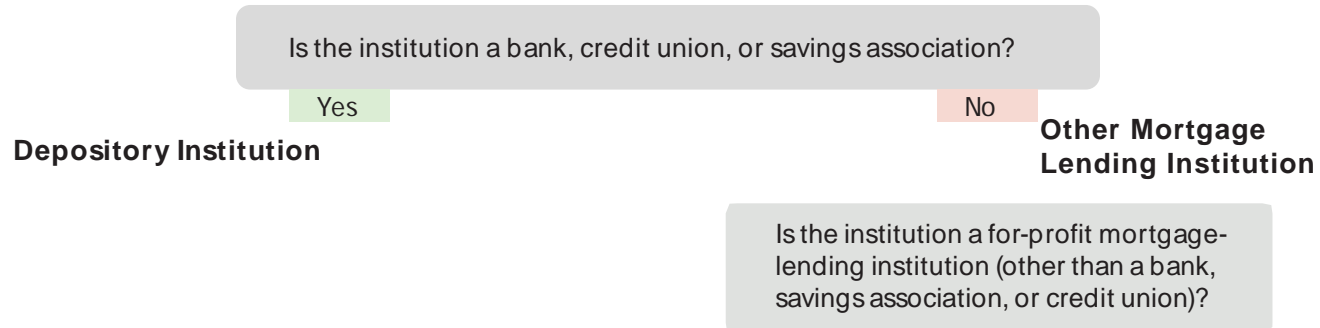


<http://www.consumerfinance.gov/policy-compliance/guidance/implementation-guidance/hmda-implementation/>

# HMDA Institutional Coverage

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Coverage criteria | Effective January 1 – December 31, 2017



# HMDA Institutional Coverage

Is the institution a bank, credit union, or savings association?

Yes

No

**Other Mortgage Lending Institution**

Is the institution a for-profit mortgage-lending institution (other than a bank, savings association, or credit union)?

No

Yes

Did the institution either:

- Have a home or branch office in an MSA on the preceding December 31, or
- Receive applications for, originate, or purchase at least five home purchase loans, home improvement loans, or refinancings related to property located in the same MSA or Metropolitan Division (MD) in the preceding calendar year?

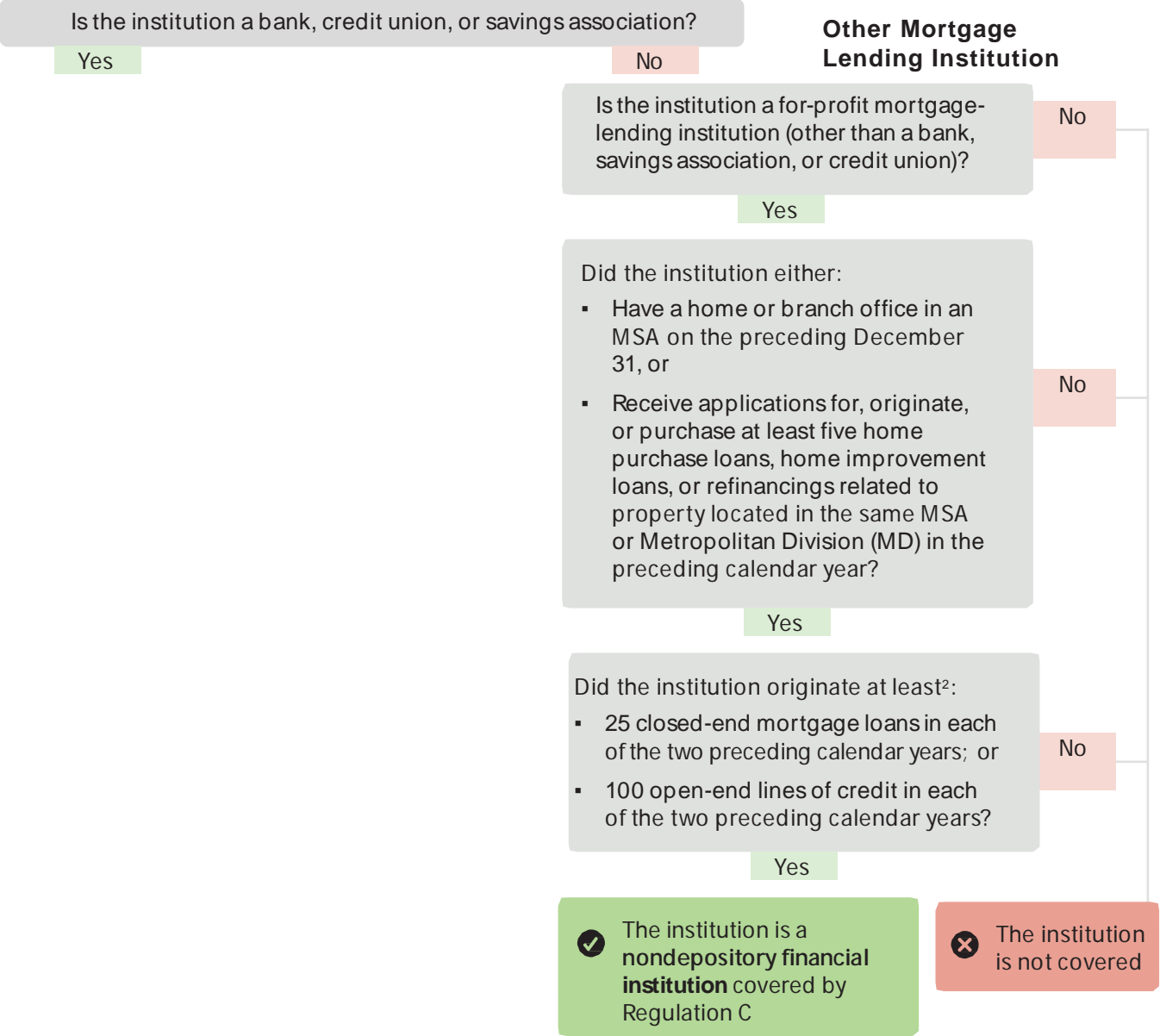
No

Yes

Did the institution originate at least<sup>2</sup>:

- 25 closed-end mortgage loans in each of the two preceding calendar years; or
- 100 open-end lines of credit in each of the two preceding calendar years?

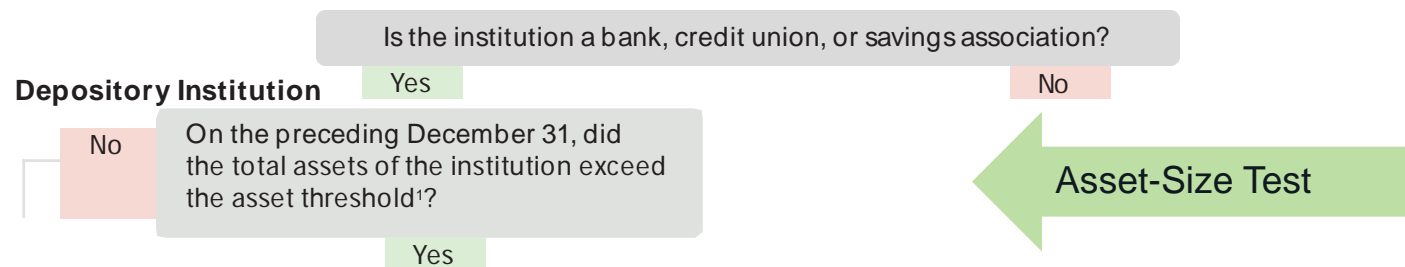
No



# HMDA Institutional Coverage

The precise criteria for whether an institution is covered by Regulation C are codified in 12 CFR § 1003.2(g). These criteria are illustrated by the following diagrams.

## Coverage criteria | Effective January 1 – December 31, 2017

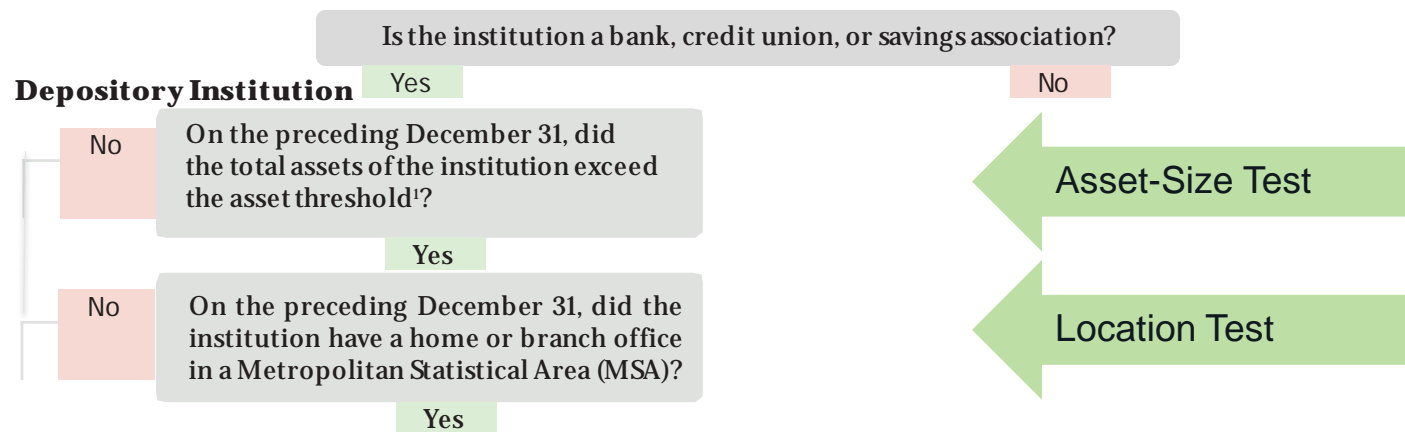


<sup>1</sup> Every year, the Bureau announces the size of the asset threshold in the Federal Register. The asset threshold may change from year to year based on changes in the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers.

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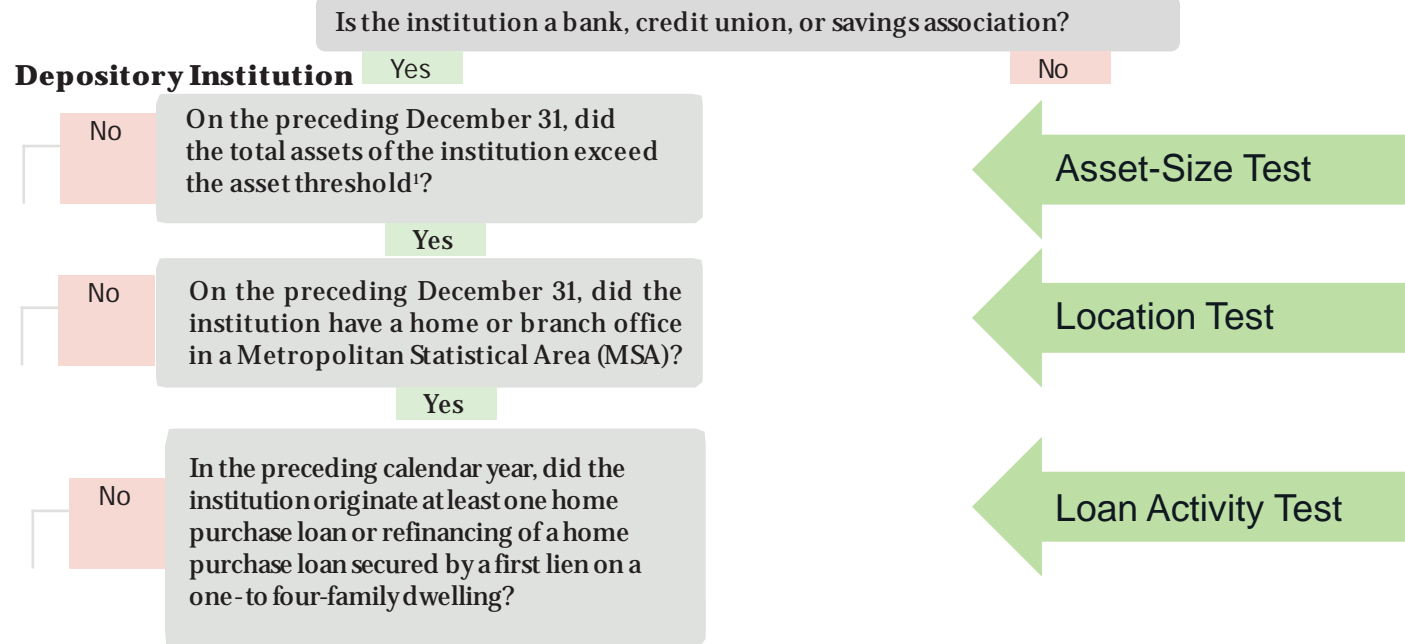
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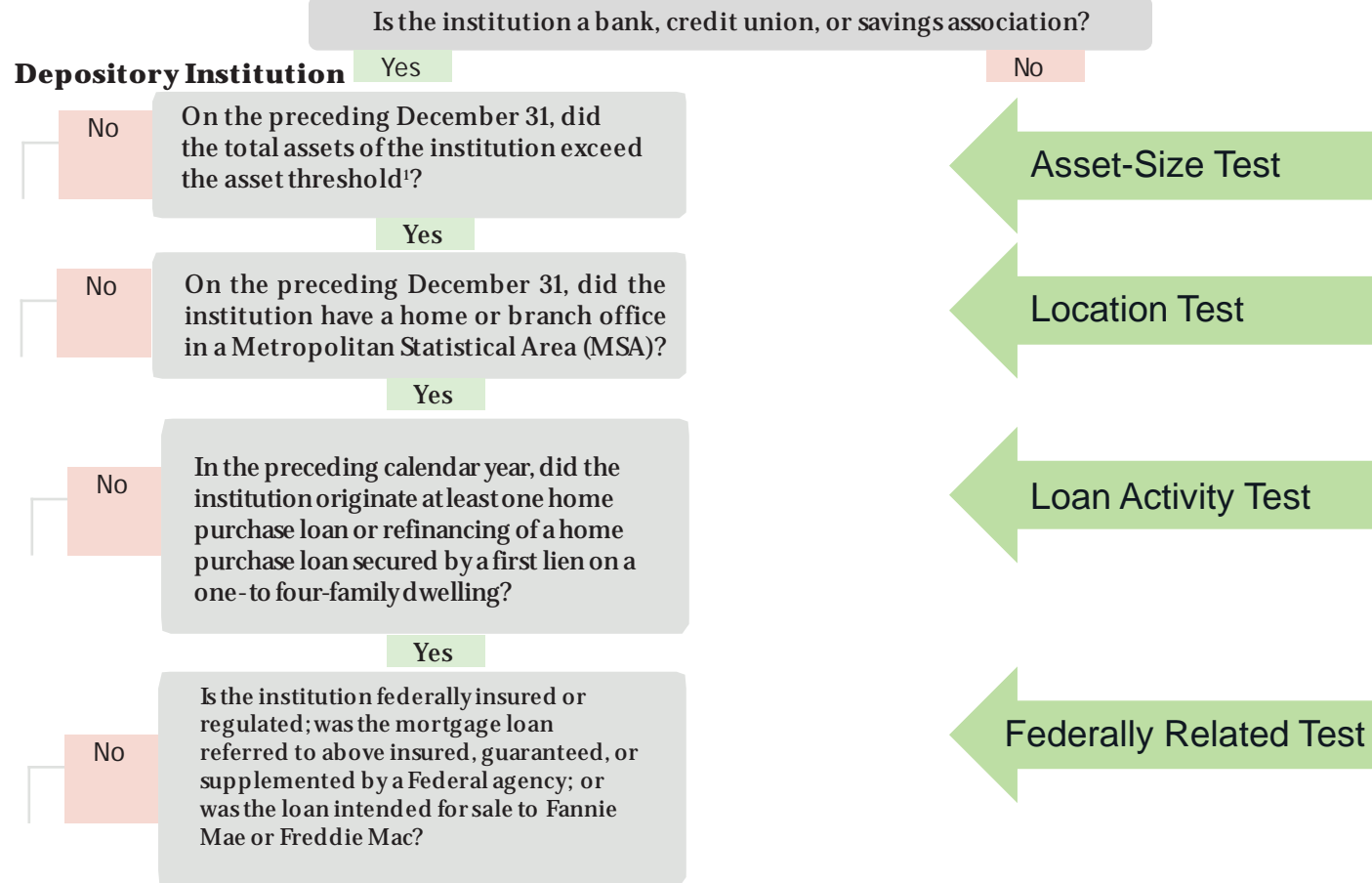


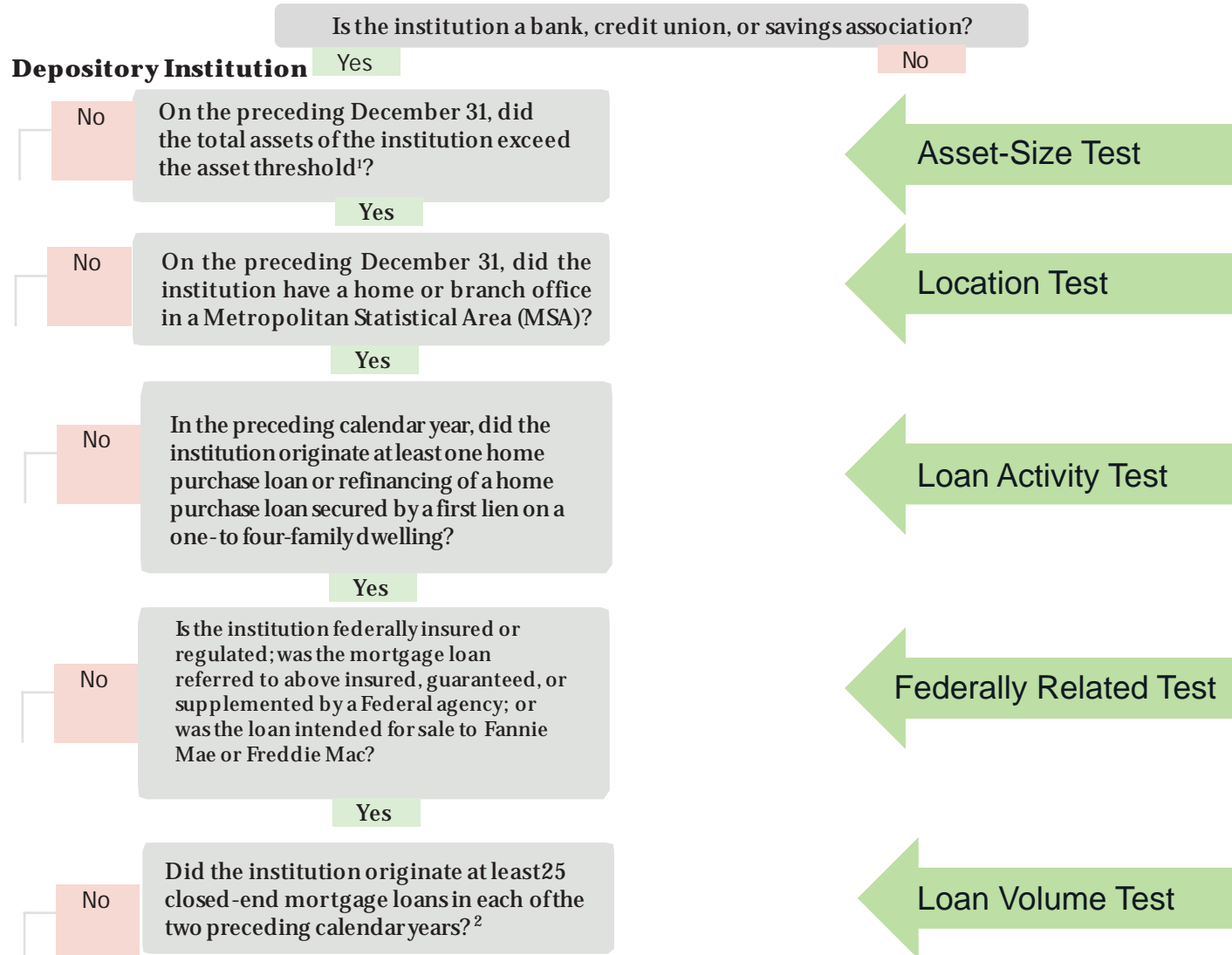
# HMDA Institutional Coverage



<sup>1</sup> Every year, the Bureau announces the size of the asset threshold in the Federal Register. The asset threshold may change from year to year based on changes in the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers.

# HMDA Institutional Coverage





**1** Every year, the Bureau announces the size of the asset threshold in the Federal Register. The asset threshold may change from year to year based on changes in the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers.

**2** Some transactions are not HMDA reportable and are excluded from the coverage criteria. For more information, please see § 1003.4(d) of Regulation C.

# Regulation C

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Phase 1

Phase 2

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# Regulation C

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Phase 2



**2018**

# Regulation C

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Phase 2

Phase 2  
tests

# Regulation C

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Phase 2  
tests

The change beginning in 2018

25 closed-end  
mortgage loans

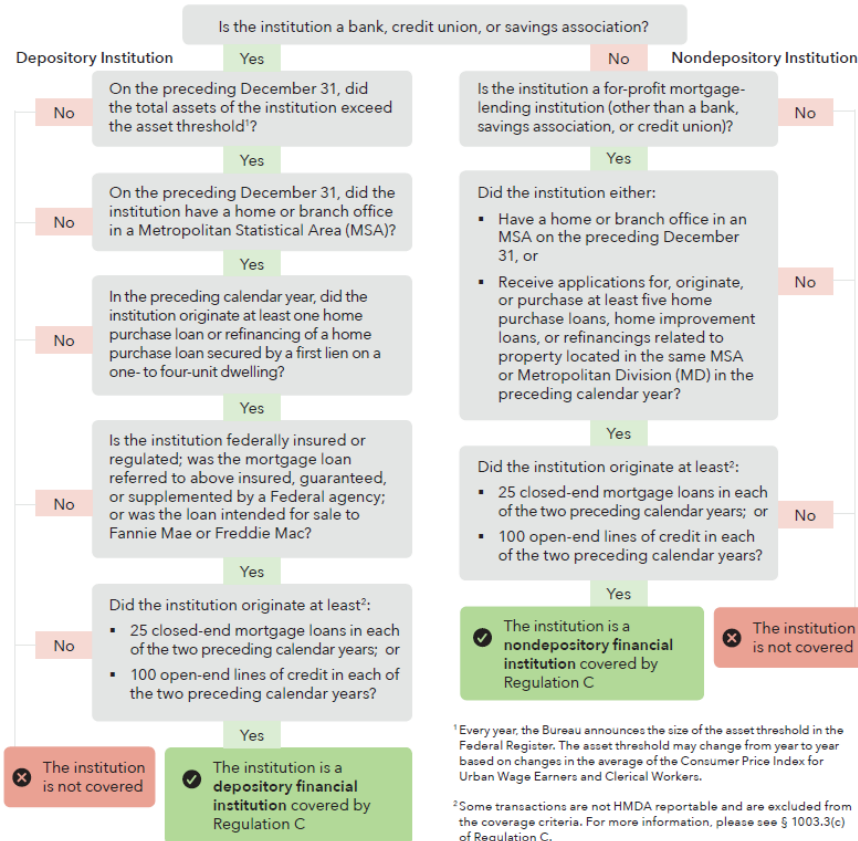
100 open-end  
lines of credit

2 year  
look back

# HMDA institutional coverage

The precise criteria for whether an institution is covered by Regulation C are codified in 12 CFR § 1003.2(g). These criteria are illustrated by the following diagrams.

## Coverage criteria | Effective January 1, 2018



<http://www.consumerfinance.gov/policy-compliance/guidance/implementation-guidance/hmda-implementation/>

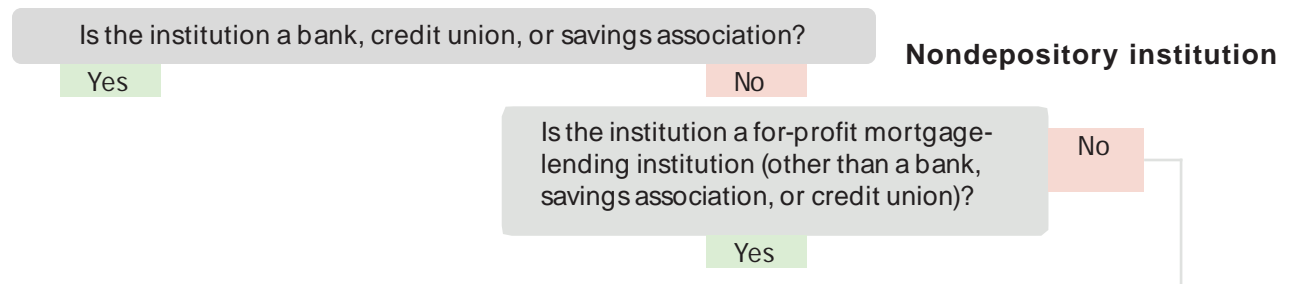


# HMDA Institutional Coverage

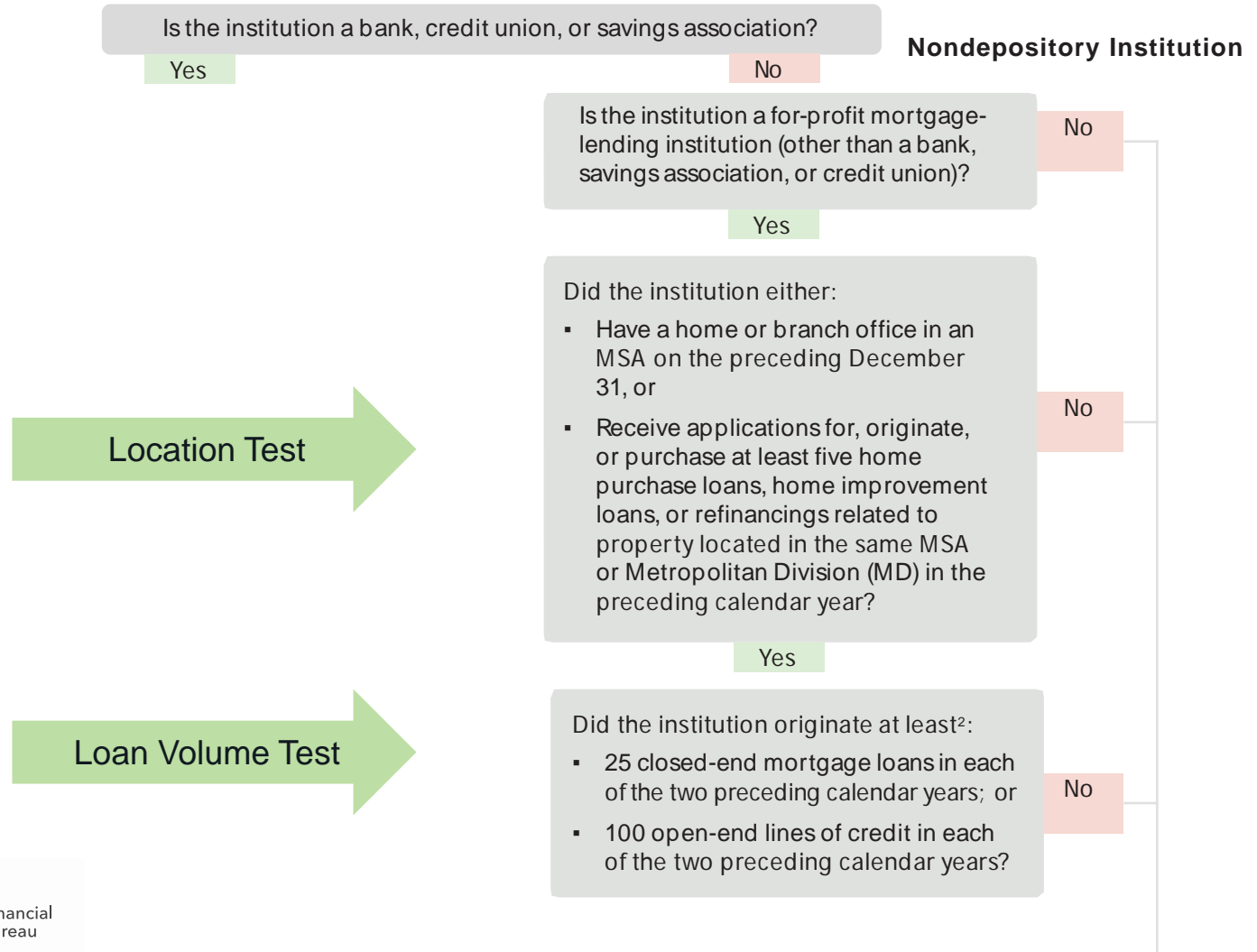
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The precise criteria for whether an institution is covered by Regulation C are codified in 12 CFR § 1003.2(g). These criteria are illustrated by the following diagrams.

## Coverage criteria | Effective January 1, 2018



# HMDA Institutional Coverage



Is the institution a bank, credit union, or savings association?

Yes

No

Nondepository institution

Is the institution a for-profit mortgage-lending institution (other than a bank, savings association, or credit union)?

No

Yes

Did the institution either:  
▪ Have a home or branch office in an MSA on the preceding December 31, or  
▪ Receive applications for, originate, or purchase at least five home purchase loans, home improvement loans, or refinancings related to property located in the same MSA or Metropolitan Division (MD) in the preceding calendar year?

No

Yes

Did the institution originate at least?:  
▪ 25 closed-end mortgage loans in each of the two preceding calendar years; or  
▪ 100 open-end lines of credit in each of the two preceding calendar years?

No

Yes

Location Test

Loan Volume Test

✓ The institution is a **nondepository financial institution** covered by Regulation C

✗ The institution is not covered

# 2018 Data Collection

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25 closed-end  
mortgage loans



100 open-end  
lines of credit



2 year look  
back 2016 and  
2017



# 2018 Data Collection

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Collect Data



January 1<sup>st</sup>, 2018 -  
December 31<sup>st</sup>, 2018

Submit Data



March 1<sup>st</sup>, 2019

# 2018 Data Collection

---



Location test



Loan volume  
test



# 2018 Data Collection

---



Collect Data



Submit Data

March 1<sup>st</sup>, 2019

# Depository Institutions

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## Current Coverage Test

Asset-Size Test

Location Test

Loan Activity Test

Federally Related  
Test



# Depository Institution Coverage

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## Current Coverage Test

Asset-Size Test

Location Test

Loan Activity Test

Federally Related  
Test

## New for 2018

25 Closed End  
Mortgage Loans

or

100 Open End  
Lines of Credit

# HMDA Transactional Coverage

Home Mortgage Disclosure Act (HMDA)  
Regulation C - Final Rule

# Transactional Coverage

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Final Rule: Modifies the types of transactions covered



From a purpose based test

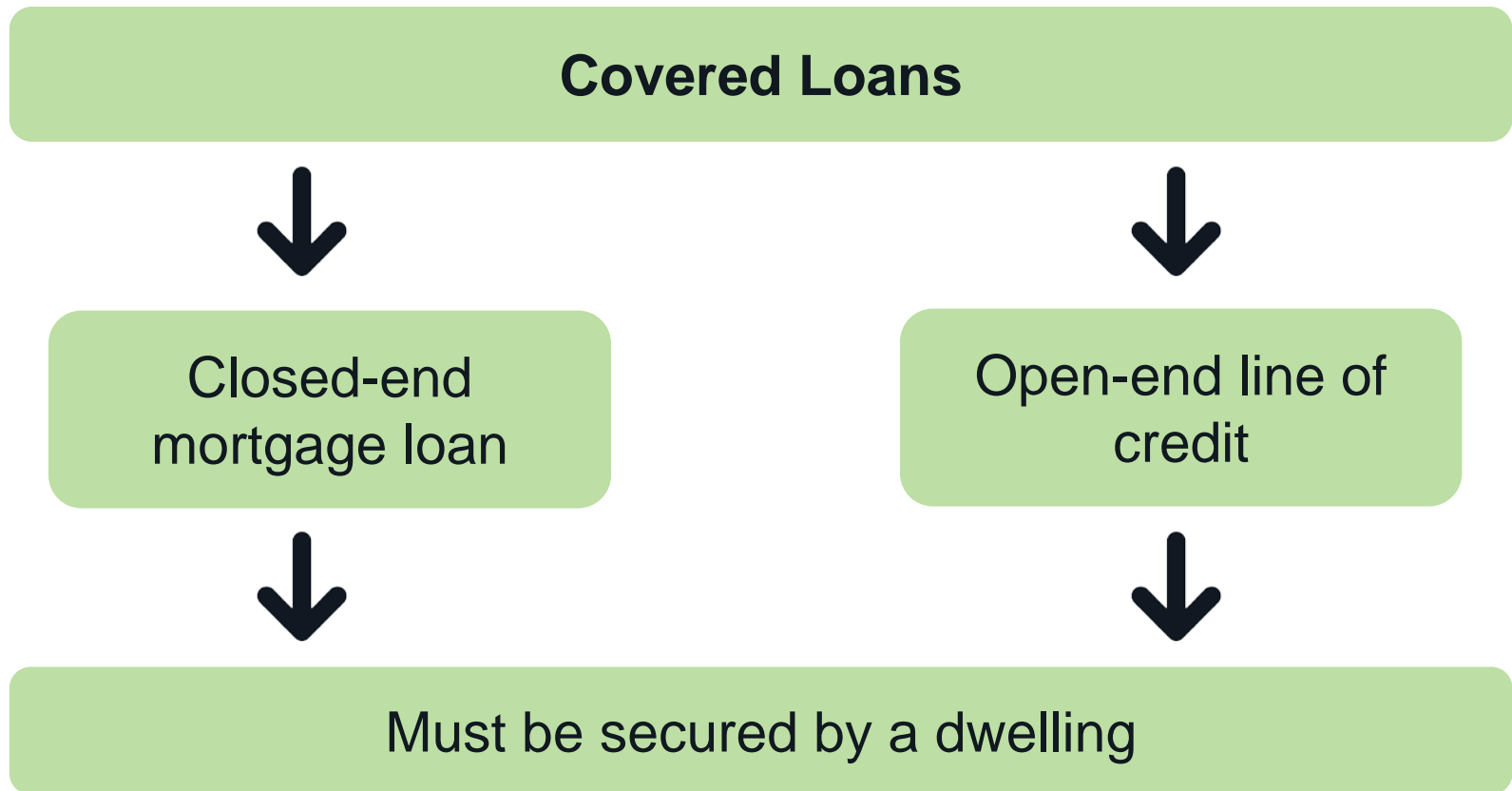


To a dwelling secured test for consumer purpose transactions

Dwelling secured test  
+ Purpose-based test  
for commercial  
purpose transactions

# Transactional Coverage

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# Transactional Coverage

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## Covered Loans



Closed-end  
mortgage loan

A closed-end mortgage loan is an extension of credit secured by a lien on a dwelling and that is not an open-end line of credit.

# Transactional Coverage

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## Covered Transaction

An open-end line of credit is an extension of credit that is secured by a lien on a dwelling and is an open-end credit plan defined under Regulation Z § 1026.2(a)(20) without regard to whether the credit is consumer credit, extended by a creditor, or extended to a consumer.

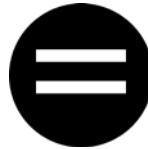


Open-end line of credit

# Extension of Credit

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Extension of  
Credit



New Debt  
Obligation

# Extension of Credit

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If the transaction

Modifies

Renews

Extends

Amends



Existing debt obligation, but does not satisfy and replace it



**NOT an extension of credit**



# Extension of Credit

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## **Extension of Credit Regulation B**

to include the granting of credit in any form.

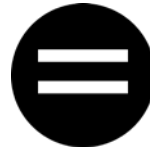
## **Extension of Credit Regulation C**

to the granting of credit pursuant to a new debt obligation.

# Extension of Credit

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**Extension of  
Credit**



**New debt  
obligation**

2 Exceptions

Assumptions

NY Consolidation,  
Extensions,  
Modifications

# Extension of Credit - Assumptions

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## Assumptions

**Comment  
2(d)(2)-2.i**

A transaction in which the financial institution enters into a written agreement accepting a new borrower as the obligor on an existing debt obligation

No new debt obligation is created

The new borrower assumes an existing debt obligation

# Extension of Credit - Assumptions

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## Assumptions

*Comment  
2(d)(2)-2.i*

## Successor-in-interest transactions

Individual succeeds  
the prior owner as  
the property owner

Takes on the existing  
debt secured by the  
property.

# Extension of Credit – New York

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**New York  
Consolidation,  
Extensions,  
Modifications  
*Comment  
2(d)(2)-2.ii***



Transactions pursuant to a New York State consolidation, extension, and modification agreement.

CEMAS

Supplemental Mortgage

New York Tax Law Section 255

Reduced or no mortgage recording taxes

# Extension of Credit – New York

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**New York  
Consolidation,  
Extensions,  
Modifications  
*Comment*  
2(d)(2)-2.ii**



## **New York CEMAs**

Loans

Secured by Dwellings

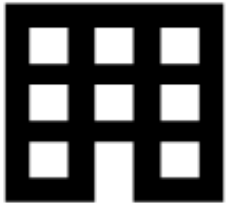
Located in New York State

Replace traditional refinancings

# Secured by Lien on a Dwelling

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Dwelling  
§ 1003.2(f)



Second Test

Closed-end  
mortgage loan

Open-end line of  
credit



Is the transaction secured by a lien on a  
dwelling?

# What is a Dwelling?

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**Dwelling**  
**§ 1003.2(f)**

Residential  
Structure

Whether or not it is  
attached to real  
property



Not limited to  
principal residence

Nor is it limited to a  
structure that has  
4 or less units



# Dwelling Examples

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Second homes  
and vacations  
homes

Investment  
properties

Manufactured  
homes or other  
factory-built homes

Multifamily  
residential  
structures or  
communities

—

Apartments  
Condominiums  
Cooperative buildings or complexes  
Manufactured homes

# What is NOT a Dwelling?

---

**NOT a Dwelling**  
***Comment 2(f)-3***

Recreational vehicles – Boats, Campers, Trailers, Park Model

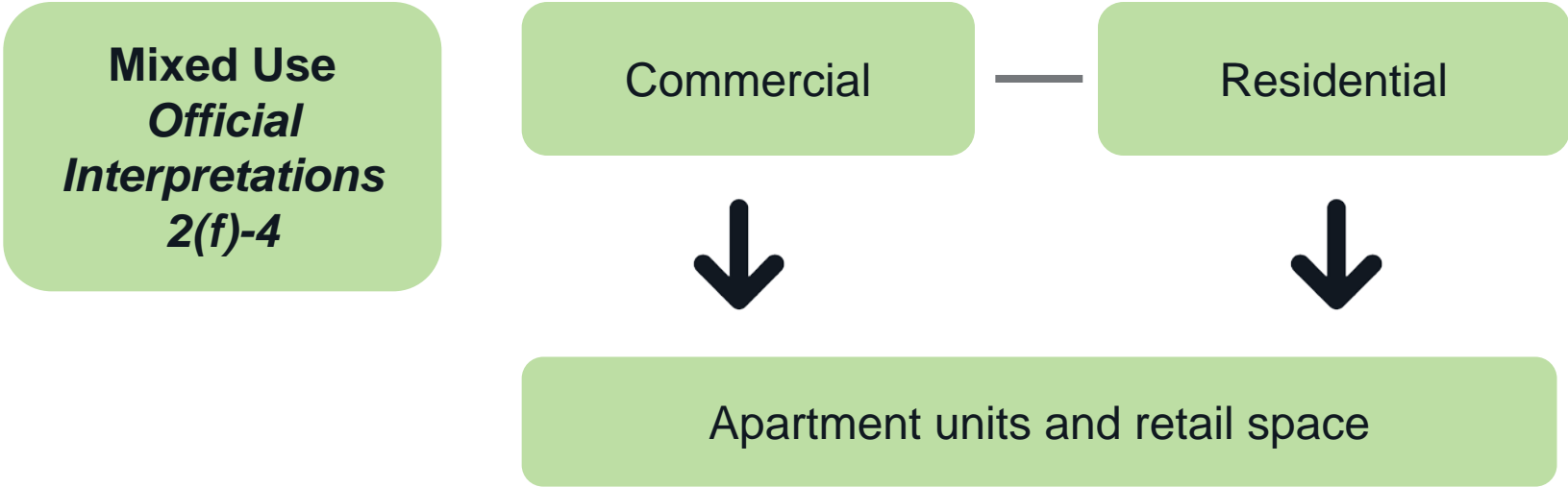
Houseboats, floating homes, and mobile homes  
constructed before June 15, 1976

Transitory residences such as hotels, hospitals,  
and college dorms

Structures originally designed as a dwelling but  
converted to exclusive commercial use

# Mixed Use Properties

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# Mixed Use Properties

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**Mixed Use**  
***Official***  
***Interpretations***  
**2(f)-4**



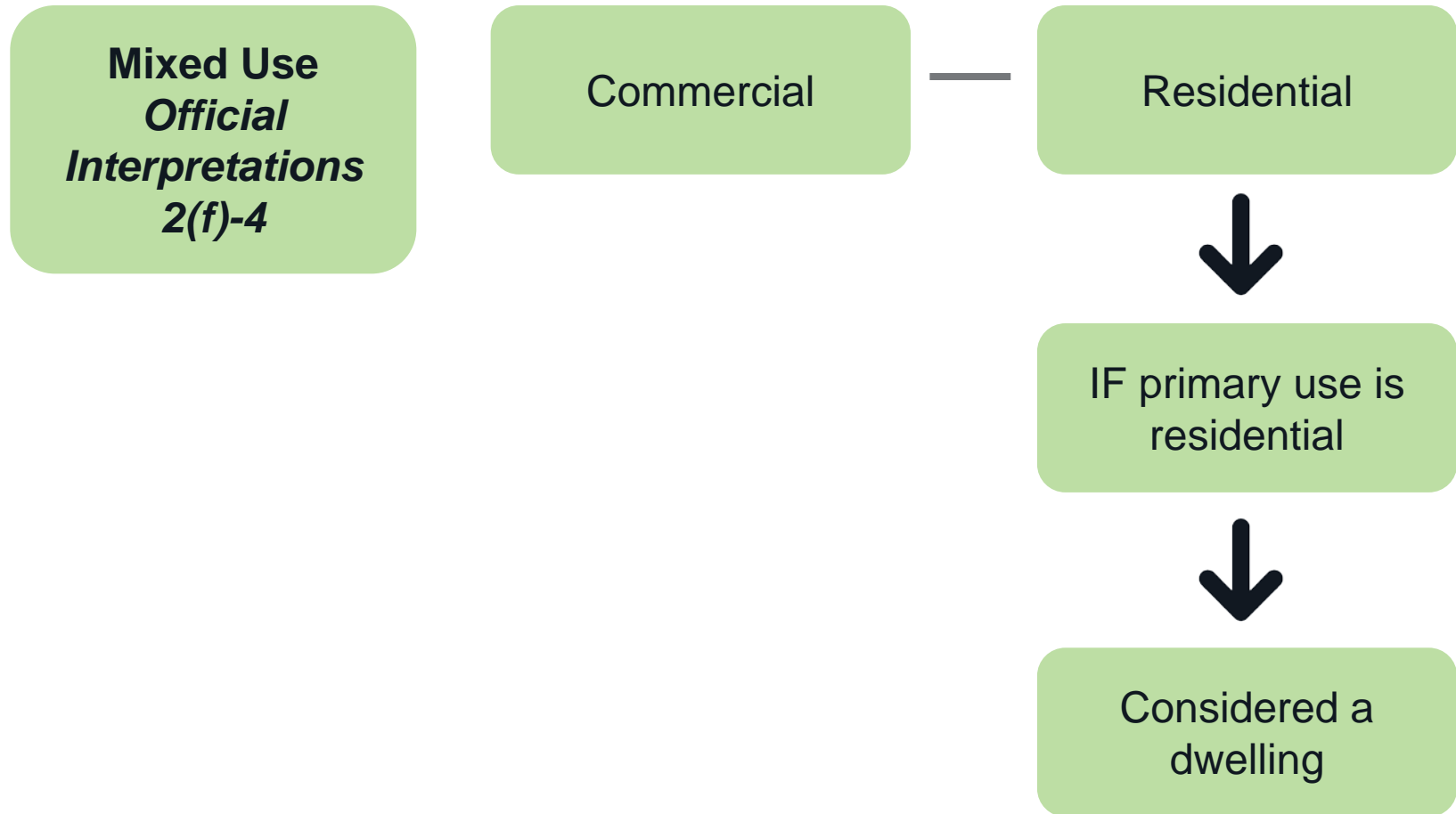
Primary Use of  
the property

Square footage

Income generated

# Mixed Use Properties

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# Summary of Closed-End Mortgage Loan

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Closed-end  
mortgage



Extension of Credit



Secured by a lien on a dwelling



Not an open line of credit

# What is an Open-End Line of Credit?

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Open-end Line of  
Credit  
§ 1003.2(o)



Extension of credit secured by a dwelling

Open-end credit plan under Regulation Z

Without regard to whether the credit is

Consumer  
credit

Extended by  
a creditor

Extended to a  
consumer

# What is an Open-End Line of Credit?

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**Open-end Line of  
Credit  
§ 1003.2(o)**



Creditor contemplates repeated transactions

May impose a finance charge on an  
outstanding unpaid balance

Amount of credit that may be extended to  
the borrower during the term of the plan is  
generally made available to the extent any  
outstanding balance is repaid



# What is an Open-End Line of Credit?

---

**Open-end Line of  
Credit**  
§ 1003.2(o)



Amount of credit extended to the borrower during the term of the plan up to limit established by the creditor

# Excluded Transactions

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Excluded transactions  
§ 1003.3(c)

Closed-end mortgage loan

Open-end line of credit



Secured by a lien on unimproved land



But note 2 year rule, unless temporary financing

# Excluded Transactions

---

Excluded  
transactions  
§ 1003.3(c)

Closed-end  
mortgage loan

Open-end line of  
credit



Temporary Financing

NOT determined by duration of loan

Is designed to be replaced by permanent  
financing at a later time

Example transaction:

# Temporary financing

---

**Excluded  
transactions  
§ 1003.3(c)**

Temporary Financing

Construction Loan where proceeds will finance

Construction  
phase of dwelling

New extension of  
credit will be  
obtained

Excluded as a  
temporary  
financing

Example transaction:

# Not temporary financing

---

**NOT Temporary Financing**

Construction-to-permanent Loan where proceeds

Finance the  
construction of  
dwelling

Converted to  
permanent  
financing

Without separate  
closing once  
complete

# Excluded Transactions - Agriculture

---

**Excluded transactions  
§ 1003.3(c)**

**Closed-end mortgage loan**

**Open-end line of credit**



**Proceeds for Agriculture**

**Dwelling on real property used primarily for agriculture**

Determine primary use of property

Select Reasonable Standard

# What is Agricultural Purpose?

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**See Regulation Z,  
12 CFR Part 1026,  
Supplement I  
Comment 3(a)-8**



## Excluded Transactions

# Business and Commercial

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**Excluded  
transactions  
§ 1003.3(c)**

**Closed-end  
mortgage loan**

**Open-end line of  
credit**



Proceeds for business use

Proceeds for commercial use



# Business and Commercial

---

Excluded transactions  
§ 1003.3(c)

Closed-end mortgage loan

Open-end line of credit



Used for Commercial or Business

And meets Regulation C definition of

Home improvement loan

Home purchase loan

Refinancing

Not excluded

# Covered Transaction

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**Business or  
Commercial  
Transaction**

**Closed-end  
mortgage loan**

**Open-end line of  
credit**



**Purchase multifamily dwelling, secured  
by the dwelling**

# Covered Transaction

---

**Business or  
Commercial  
Transaction**

**Closed-end  
mortgage loan**

**Open-end line of  
credit**



Home improvement loan to improve an office  
located in a dwelling

# Non Covered Transaction

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**Business or  
Commercial  
Transaction**

**Closed-end  
mortgage loan**

**Open-end line of  
credit**



Proceeds to expand a business

Proceeds will be used to purchase business  
equipment

# Non Covered Transaction

---

**Business or  
Commercial  
Transaction**

Proceeds to expand a business

Extended to a corporation where proceeds are used to purchase business equipment



Does **NOT** meet

Home Improvement

Home Purchase Loan

Refinancing

# Excluded Transactions

---



Originated Fewer than



25 closed-end  
mortgage loans

or



100 open-end  
lines of credit

In either of the last two preceding calendar years

# Excluded Transactions

---

If fewer than 25 Closed-end mortgage loans in either of the two last calendar years



NOT required to:

Collect



Record



Report



Closed-end mortgage loans

# Excluded Transactions

---

If fewer than 100 Open-end lines of credit in either of the last two calendar years



NOT required to:

Collect



Record



Report



Open-end lines of credit



# Excluded Transactions

---



**Closed-end mortgage loan**

**Open-end line of credit**

At least 25 in each of the preceding two calendar years

Fewer than 100 in either of the preceding two calendar years

Report



Report

# Excluded Transactions

---



**Closed-end mortgage loan**

**Open-end line of credit**

Fewer than 25 in either of the preceding two calendar years

At least 100 in each of the preceding two calendar years



Report



Report

# Loan-Volume thresholds

Examples

## Examples

# Loan volume thresholds

Loan type	Originations during calendar year		Must collect in 2018 and report in 2019
	2016	2017	
<b>A</b> Closed end mortgage loans Open end lines of credit	30 1,000	24 1,200	Only open-end lines of credit
<b>B</b> Closed end mortgage loans Open end lines of credit	30 99	45 105	Only closed-end mortgage loans
<b>C</b> Closed end mortgage loans Open end lines of credit	55 150	150 200	Both closed-end mortgage loans and open-end lines of credit
<b>D</b> Closed end mortgage loans Open end lines of credit	22 98	26 30	Neither

# HMDA Transactional Coverage chart

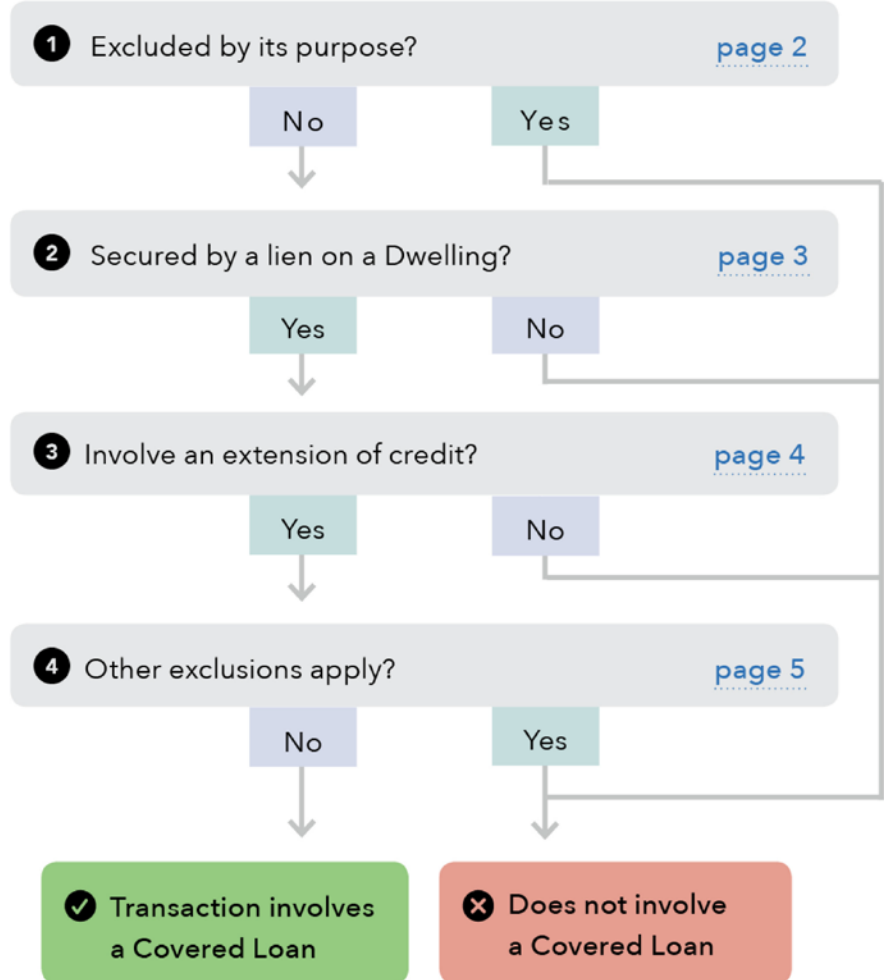
Home Mortgage Disclosure Act (HMDA)  
Regulation C - Final Rule

# HMDA transactional coverage

Effective January 1, 2018

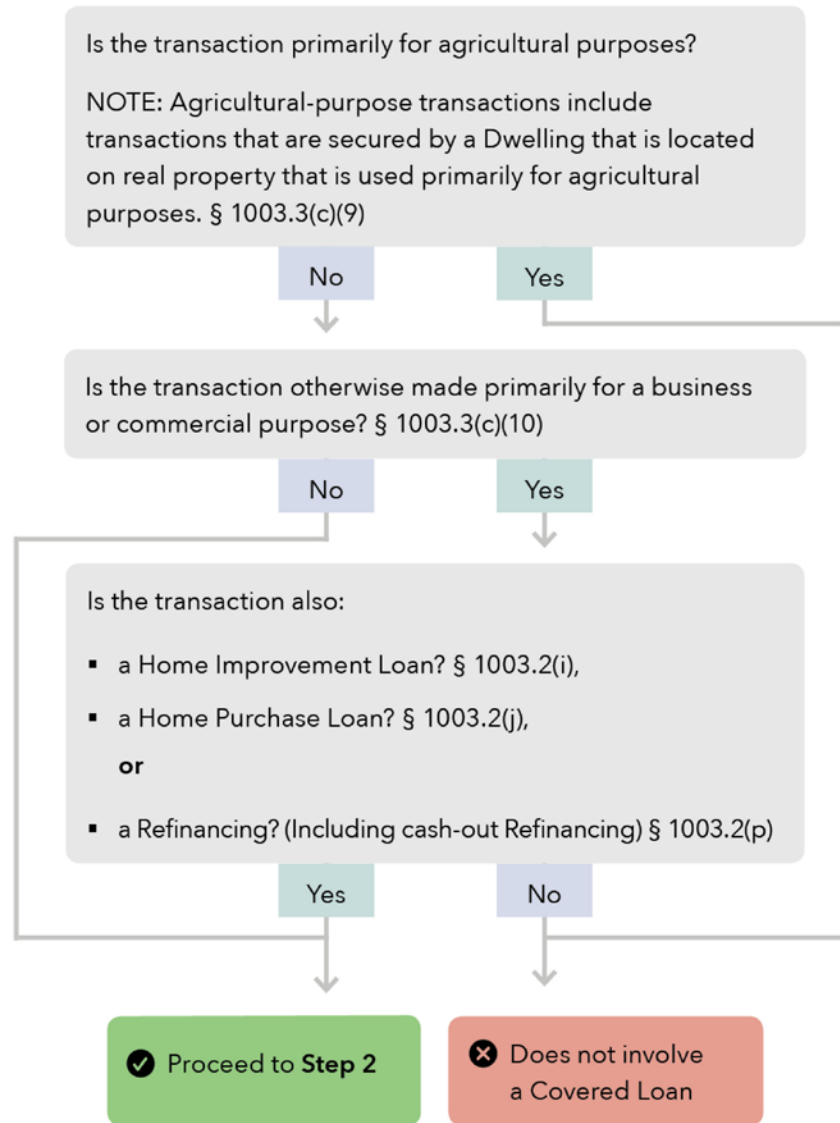
Under HMDA and Regulation C, a transaction is reportable only if it is an Application for, an origination of, or a purchase of a Covered Loan. These materials illustrate one approach to help determine whether a transaction involves a Covered Loan. If the transaction involves a Covered Loan, it is reported only if the institution meets the applicable loan-volume thresholds. Terms that are defined in Regulation C are capitalized in this document for ease of reference. Click on the numbers below to view the instructions for each step.

## Does the transaction involve a Covered Loan?

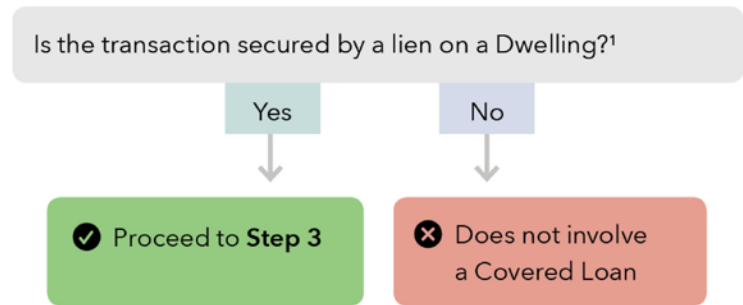


These materials summarize requirements under HMDA and Regulation C and do not themselves establish any binding obligations. They are intended only to act as a reference and not as a substitute for the regulation or its official commentary. Always consult the regulation text and official commentary for a complete understanding of the law. Version 1.0, 6/15/2016

# 1 Is the transaction excluded by its purpose?



## 2 Is the transaction secured by a lien on a Dwelling?<sup>1</sup>



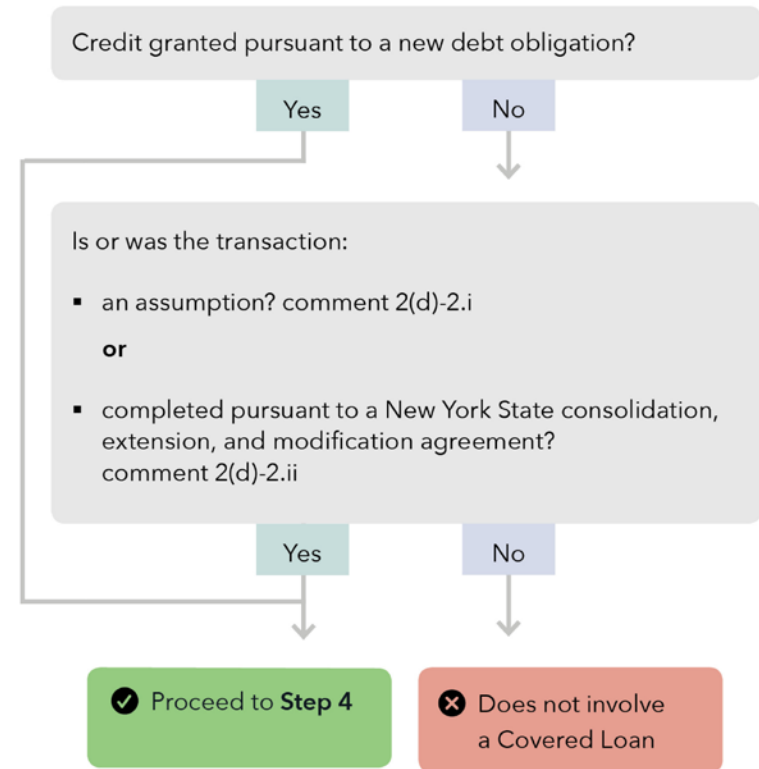
Use the table below to help determine whether the transaction is secured by a lien on a Dwelling.

Single family structures	Multifamily structures	Mixed-use purposes
Dwelling	Dwelling	Dwelling
<ul style="list-style-type: none"> <li>Principal residences</li> <li>Second homes</li> <li>Vacation homes</li> <li>Manufactured Homes or other factory built homes</li> <li>Investment properties</li> <li>Individual condominium units</li> <li>Detached homes</li> <li>Individual cooperative units</li> </ul>	<ul style="list-style-type: none"> <li>Apartment buildings or complexes</li> <li>Manufactured home communities</li> <li>Condominium buildings or complexes</li> <li>Cooperative buildings or complexes</li> </ul>	<ul style="list-style-type: none"> <li>Mixed-use property if primary use is residential</li> <li>Properties for long-term housing and related services (such as assisted living for senior citizens or supportive housing for people with disabilities)</li> <li>Properties for long-term housing and medical care if primary use is residential</li> </ul>
Not a Dwelling	Not a Dwelling	Not a Dwelling
<ul style="list-style-type: none"> <li>Transitory residences</li> <li>Recreational vehicles</li> <li>Boats</li> <li>Campers</li> <li>Travel trailers</li> <li>Park model RVs</li> <li>Floating homes</li> <li>Houseboats</li> <li>Mobile homes constructed before June 15, 1976</li> </ul>	<ul style="list-style-type: none"> <li>Transitory residences</li> <li>Hotels</li> <li>Hospitals and properties used to provide medical care (such as skilled nursing, rehabilitation, or long-term medical care)</li> <li>College dormitories</li> <li>Recreational vehicle parks</li> </ul>	<ul style="list-style-type: none"> <li>Mixed-use property if primary use is not residential</li> <li>Transitory residences</li> <li>Structures originally designed as Dwellings but used exclusively for commercial purposes</li> <li>Properties for long-term housing and medical care if primary use is not residential</li> </ul>

<sup>1</sup>Dwelling means a residential structure, whether or not attached to real property. § 1003.2(f) and comments 2(f)-1 through -5.



### 3 Does the transaction involve an extension of credit?<sup>2</sup>



<sup>2</sup> Generally under Regulation C, an extension of credit refers to the granting of credit only pursuant to a new debt obligation. If the transaction modifies, renews, extends, or amends the terms of an existing debt obligation, but the existing debt obligation is not satisfied and replaced, the transaction is not a new extension of credit, unless it falls within the two exceptions noted above. § 1003.2(d) and (o), and comments 2(d)-2 and 2(o)-2

#### 4 Do other exclusions apply? § 1003.3(c)(1) through (8)

Is or was the transaction:

- originated or purchased by the Financial Institution acting in a fiduciary capacity?
- secured by a lien on unimproved land?
- temporary financing designed to be replaced by permanent financing at a later time?
- the purchase of an interest in a pool of otherwise Covered Loans, such as mortgage-participation certificates, mortgage-backed securities, or real estate mortgage investment conduits?
- the purchase solely of the right to service an otherwise Covered Loan?
- a purchase as part of a merger or acquisition, or as part of the acquisition of all of the assets and liabilities of a branch office?
- for a total dollar amount that is less than \$500?
- a purchase of a partial interest in an otherwise Covered Loan?

If **NO** to **all**  
of the questions

✔ Transaction involves  
a Covered Loan

If **YES** to **any**  
of the questions

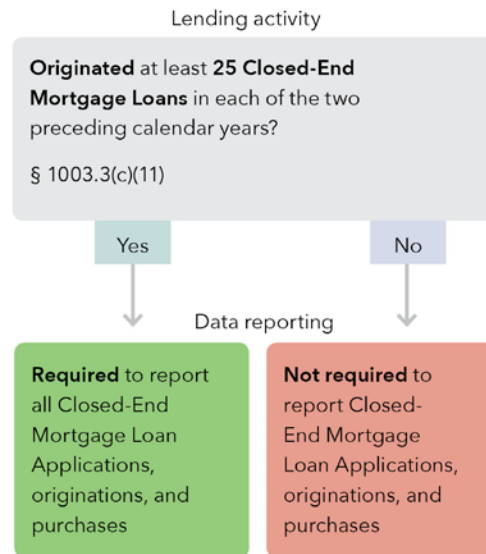
✘ Does not involve  
a Covered Loan

## ✓ Transaction involves a Covered Loan

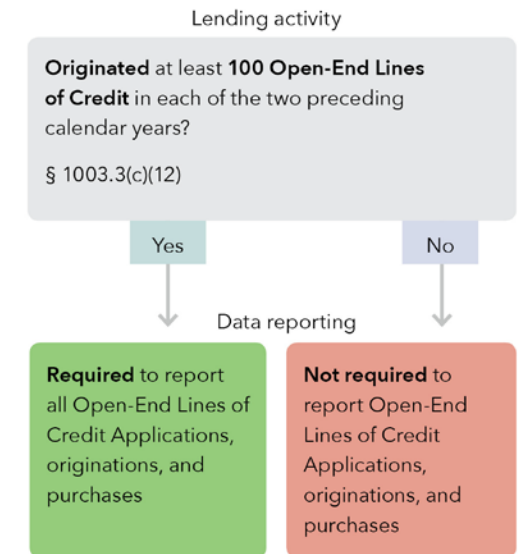
### ✓ Transaction involves a Covered Loan

Regulation C provides different loan-volume reporting thresholds for transactions that involve a Covered Loan depending on whether they involve a Closed-End Mortgage Loan or an Open-End Line of Credit. § 1003.3(c)(11) and (12). Reporting is required if a threshold is met in each of the two preceding calendar years. (See [2018 Institutional Coverage Chart](#) for guidance regarding institutional coverage.)

#### Closed-End Mortgage Loan § 1003.2(d)



#### Open-End Line of Credit § 1003.2(o)

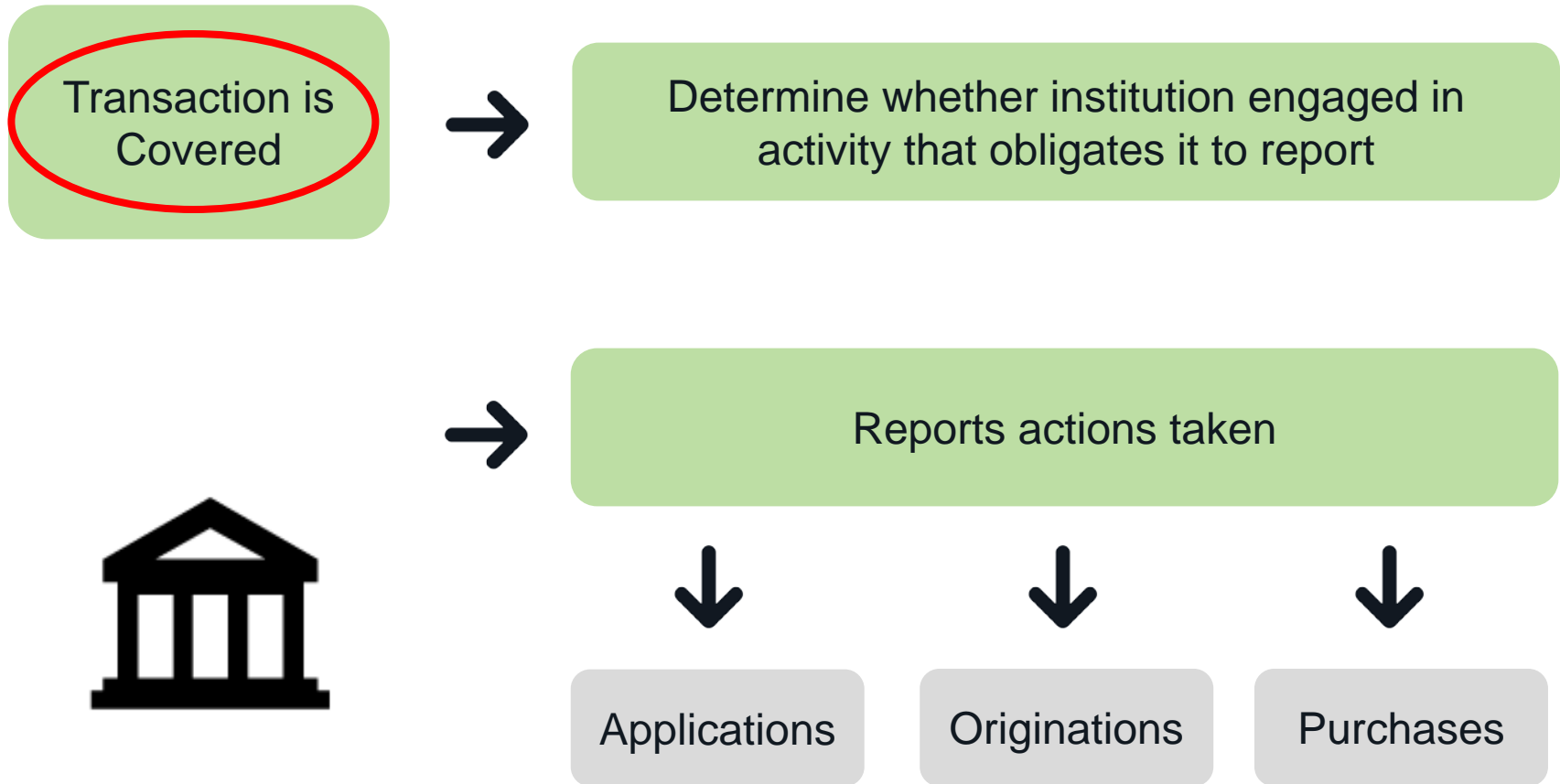


- Only **originated** Covered Loans count toward the loan-volume thresholds. If a threshold is met, the institution reports all Applications for Covered Loans that it receives, Covered Loans that it originates, and Covered Loans that it purchases for that type of transaction (either Closed-End Mortgage Loan or Open-End Line of Credit, or both, if both thresholds are met).
- Covered consumer and business or commercial purpose originations should be counted together when assessing the individual thresholds for Closed-End Mortgage Loans and Open-End Lines of Credit.

# When to report a covered transaction

# When to Report a Covered Transaction

---



# When to Report a Covered Transaction

---

Application did not result in originated covered loan



Collect

Report

Application if financial institution took action

Application was withdrawn while under review

# When to Report a Covered Transaction

---

Application results in originated covered loan



Report

Origination of the covered loan

Do not report application and origination separately

# What is an Application?

---

**Application**



Written or oral request for a covered loan

Accordance with procedures  
the financial institution uses

Type of credit requested



# What is a Request for Preapproval?

---

**Preapproval  
Request**



Considered an application  
under Regulation C

Home purchase loan

NOT secured by a multifamily dwelling

NOT for an open-end line of credit or

Not for reverse mortgage

Reviewed under a preapproval program

# What is a Preapproval Program?

---

**Home  
Purchase  
Preapproval  
Program**



Institution conducts comprehensive analysis of creditworthiness

Issues a written commitment

Subject only to permitted conditions

# What are Permitted Conditions?

---

**Preapproval  
Program**



Identification of a suitable property

Require no material change occur regarding the applicant's financial condition prior to closing

Limited conditions that not are related to the applicant's financial condition or creditworthiness and ordinarily attached to a traditional home mortgage application

Ordinarily attaches to a traditional home mortgage application

# Example - Permitted Conditions

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Acceptable Title  
Insurance  
Binder or Certificate

OR

Indicates clear  
termite inspection  
certification

Required to report data on preapproval request  
only if denied or results in:

Home purchase loan  
or was approved but  
not accepted

# Who Reports – Multiple Entities?

---

**Who reports the origination?**

*Comment*  
4(a)-2



Only one entity reports the covered loan as an origination

The institution that made the credit decision approving the application before closing or account opening

Regardless of whether loan closed in the institution's name

# Multiple Applications

---

**Who reports an application?**

*Comment*  
4(a)-2



Multiple applications

Institution that approved the loan before closing and purchased the loan after closing reports the loan as an origination

Any institutions that received the application before closing reports the action it took on the application

# Multiple Application Approvals

---

Who Reports?

*Comment*  
4(a)-2



Report action taken on applications received

Does not matter



*Method Received* (Applicant, broker, another financial institution)



Application does not result in an origination

# Credit Decisions through Agents

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**Who Reports?**

*Comment*  
4(a)-4



Decisions made through actions of agents

Ficus Bank  
(agent for Elm  
Bank)

Elm Bank



# Credit Decisions through Agents

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**Who Reports?**  
*Comment*  
4(a)-4



Applicant does not accept loan

Who reports  
the transaction?

Ficus Bank ❌

Elm Bank



Acting Agent to  
Elm Bank

Report as approved  
but not accepted

State law determines  
agent party

# Broker Rule

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Examples can be found in  
Comments 4(a)-2 through -4

# Data submission process

Home Mortgage Disclosure Act (HMDA)  
Regulation C - Final Rule

# How do we file HMDA data?

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**Data Collected  
in 2017**



**Bureau**  
By March 1<sup>st</sup>, 2018

# How to submit HMDA data?

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[consumerfinance.gov/hmda](https://consumerfinance.gov/hmda)

# How do we file HMDA data?

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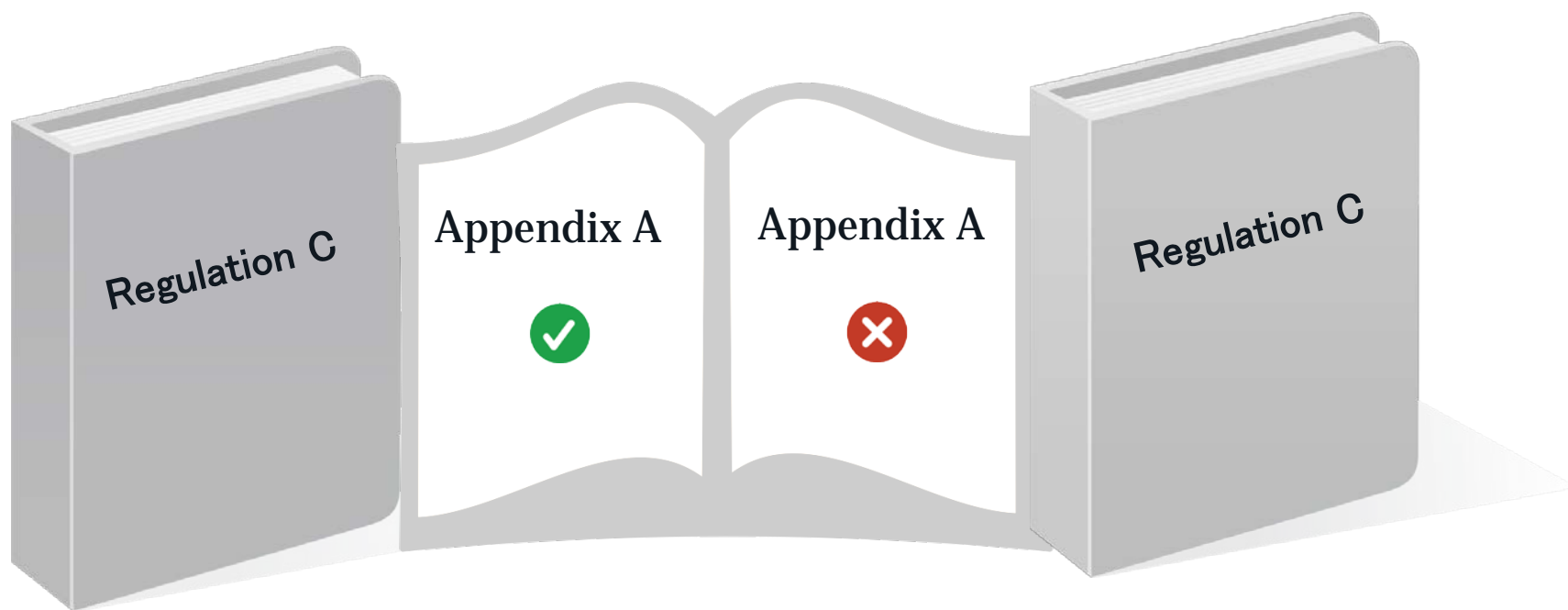
**Data Collected  
in 2018**



**Bureau**  
By March 1<sup>st</sup>, 2019

# How to submit HMDA data?

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January 1, 2018

January 1, 2019

# Quarterly Reporting

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January 1st, 2020



=

**60,000 Covered loans  
and applications**



# Quarterly Reporting

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Quarterly Reporting



Does not apply to 4<sup>th</sup> Quarter Data



Reports 4<sup>th</sup> Quarter Data with Annual



First 3  
quarters



Corrections



4<sup>th</sup> Quarter  
Data

# Example

Bank Name	Reported Loans and Applications in 2019 HMDA Data	HMDA Reporting in 2020	Quarterly Reporting
Ficus Bank	60,000	<ul style="list-style-type: none"><li>• 1<sup>st</sup> quarter data due by May 30, 2020</li><li>• 2<sup>nd</sup> quarter data due by August 30, 2020</li><li>• 3<sup>rd</sup> quarter data due by November 30, 2020</li><li>• 4<sup>th</sup> quarter data along with previously submitted 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> quarter data, including corrections due by March 1, 2021</li></ul>	Yes

# Example

Bank Name	Reported Loans and Applications in 2019 HMDA Data	HMDA Reporting in 2020	Quarterly Reporting
Pine Bank	59,999	Due by March 1 <sup>st</sup> , 2021	No

# Disclosure of data

Home Mortgage Disclosure Act (HMDA)  
Regulation C - Final Rule

# How are HMDA data disclosed?

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FFIEC



# How are HMDA data disclosed?

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Public

[consumerfinance.gov/hmda](https://consumerfinance.gov/hmda)

# Sample Notice

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## **Home Mortgage Disclosure Act Notice**

The HMDA data about our residential mortgage lending are available online for review. The data show geographic distribution of loans and applications; ethnicity, race, sex, age and income of applicants and borrowers; and information about loan approvals and denials. These data are available online at the Consumer Financial Protection Bureau's Web site ([www.consumerfinance.gov/hmda](http://www.consumerfinance.gov/hmda)). HMDA data for many other financial institutions are also available at this Web site.

**5 years**

# Disclosure Data

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**Requester**



# Obligation to Disclose

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**Beginning in 2018**

Provide written  
notice regarding  
availability

# Obligation to Disclose

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[consumerfinance.gov/hmda](https://consumerfinance.gov/hmda)

# Sample Notice

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## **Home Mortgage Disclosure Act Notice**

The HMDA data about our residential mortgage lending are available online for review. The data show geographic distribution of loans and applications; ethnicity, race, sex, age and income of applicants and borrowers; and information about loan approvals and denials. These data are available online at the Consumer Financial Protection Bureau's Web site

([www.consumerfinance.gov/hmda](http://www.consumerfinance.gov/hmda)).

HMDA data for many other financial institutions are also available online. For more information, visit the Consumer Financial Protection Bureau's Web site

([www.consumerfinance.gov/hmda](http://www.consumerfinance.gov/hmda)).

3 years

# Modified LAR

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**Requester**

# Overview of effective dates

Home Mortgage Disclosure Act (HMDA)  
Regulation C - Final Rule

# HMDA Rule Key Dates Timeline

	2016	2017	2018	2019	2020
Effective Dates	No new regulatory requirements go into effect	<b>1/1</b> Effective date for excluding low volume depository institutions from coverage	<b>1/1</b> Effective date for most provisions related to institutional and transactional coverage, and data collection, recording, reporting, and disclosure	<b>1/1</b> Effective date for changes to enforcement provisions and additional amendments to reporting provisions	<b>1/1</b> Effective date for quarterly reporting provisions
Data Collection	<b>Q1 – Q4</b> Collect 2016 data as required under the <b>current rule</b> <sup>1</sup> (for reporting in 2017)	<b>Q1 – Q4</b> Collect 2017 data as required under the <b>current rule</b> <sup>1</sup> (for reporting in 2018)	<b>Q1 – Q4</b> Collect 2018 data as required under the <b>new rule</b> <sup>2</sup> (for reporting in 2019)	<b>Q1 – Q4</b> Collect 2019 data as required under the <b>new rule</b> <sup>2</sup> (for reporting in 2020)	<b>Q1 – Q4</b> Collect 2020 data as required under the <b>new rule</b> <sup>2</sup> (for reporting in 2021 and, if FI is quarterly reporter, 2020)
Data Submission	<b>1/1 – 3/1</b> Submit 2015 data as required under the <b>current rule</b> , <sup>1</sup> and submit to the Federal Reserve Board	<b>1/1 – 3/1</b> Submit 2016 data as required under the <b>current rule</b> , <sup>1</sup> and submit to the Federal Reserve Board	<b>1/1 – 3/1</b> Submit 2017 data as required under the <b>current rule</b> , <sup>1</sup> and submit to the CFPB	<b>1/1 – 3/1</b> Submit 2018 data as required under the <b>new rule</b> , <sup>2</sup> and submit to the CFPB	<b>1/1 – 3/1</b> Submit 2019 data as required under the <b>new rule</b> , <sup>2</sup> and submit to the CFPB <b>4/1 – 5/30</b>  Quarterly FI reporters report Q1, 2020 data as required under the <b>new rule</b> , <sup>2</sup> and submit to the CFPB

# Effective dates

## Loan-Volume Threshold for Depository Institutions Effective Date: January 1<sup>st</sup>, 2017

As of December 31 <sup>st</sup> , 2016	Asset – Size Test	✓
As of December 31 <sup>st</sup> , 2016	Location test	✓
Calendar year 2016	Loan activity test	✓
Calendar year 2016	Federally related test	✓
Calendar year 2015	Temporary loan volume test	✓
Calendar year 2016	Temporary loan volume test	✓

# Effective Dates

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**January 1, 2018**

Institutional  
coverage

Transactional  
coverage

Data  
Collection

Data Reporting

Disclosure



# Effective Dates for Transactional Coverage

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**January 1<sup>st</sup>, 2018**

Collects

Records

Reports

Data points

# Action Taken and Date to Report - Comment 4(a)(8)(i)

Action taken	Reportable date
Loan originated	Generally, loan closing or account opening date
Loan purchased	Date of purchase
Application approved but not accepted	Any reasonable date, such as approval date, deadline for accepting offer, or date file was closed
Application denied	Date application is denied or date notice sent to applicant
Application withdrawn*	Date the express withdrawal was received or date shown on the notification form (if written withdrawal)
File closed for incompleteness*	Date file was closed or date notice sent to applicant
Preapproval request approved but not accepted	Any reasonable date, such as approval date, deadline for accepting offer, or date file was closed
Preapproval request denied	Date preapproval request was denied or date notice sent to applicant

# Determining collection and reporting year

Date of Application or Purchase	Final Action Taken	Final Action Taken Date	Collect HMDA data...	Report HMDA data by...
Application received 10/1/2017	Loan Originated	12/1/2017	as required under the old (prior to 2018) rule	3/1/2018
Loan purchased 10/1/2017	Loan Purchased	10/1/2017	as required under the old (prior to 2018) rule	3/1/2018
Application received 10/1/2017	Loan Originated	1/5/2018	as required under the new (effective 2018) rule*	3/1/2019
Application received 2/15/2018	Application Denied	3/15/2018	as required under the new (effective 2018) rule*	3/1/2019
Loan purchased 1/5/2018	Loan Purchased	1/5/2018	as required under the new (effective 2018) rule	3/1/2019

*\*See comment 4(a)(10)(i)-2.*

# Reminder

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## Data points

Application channel

Points and fees

Underwriting  
information

Debt-to-income Ratio

Unique loan identifier

Property value

# Determining collection and reporting year

Date of Application or Purchase	Final Action Taken	Final Action Taken Date	Collect HMDA data...	Report HMDA data by...
Application received 10/1/2017	Loan Originated	12/15/2017	as required under the old (prior to 2018) rule	3/1/2018
Loan purchased 10/1/2017	Loan Purchased	10/1/2017	as required under the old (prior to 2018) rule	3/1/2018
Application received 10/1/2017	Loan Originated	1/5/2018	as required under the new (effective 2018) rule*	3/1/2019
Application received 2/15/2018	Application Denied	3/15/2018	as required under the new (effective 2018) rule*	3/1/2019
Loan purchased 1/5/2018	Loan Purchased	1/5/2018	as required under the new (effective 2018) rule	3/1/2019

*\*Collect race, ethnicity, and sex according to the Appendix B instructions in effect for 2017 data collection. See comment 4(a)(10)(i)-2.*

# Determining collection and reporting year

Date of Application or Purchase	Final Action Taken	Final Action Taken Date	Collect HMDA data...	Report HMDA data by...
Application received 10/1/2017	Loan Originated	12/15/2017	as required under the old (prior to 2018) rule	3/1/2018
Loan purchased 10/1/2017	Loan Purchased	10/1/2017	as required under the old (prior to 2018) rule	3/1/2018
Application received 10/1/2017	Loan Originated	1/5/2018	as required under the new (effective 2018) rule*	3/1/2019
Application received 2/15/2018	Application Denied	3/15/2018	as required under the new (effective 2018) rule*	3/1/2019
Loan purchased 1/5/2018	Loan Purchased	1/5/2018	as required under the new (effective 2018) rule	3/1/2019

\* Collect race, ethnicity, and sex according to the Appendix B instructions under the final rule. See comment 4(a)(10)(i)-2.

# Effective Dates

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**Submit Data  
Electronically**

Effective on January 1<sup>st</sup>, 2018

Report by March 1<sup>st</sup>, 2018

# Effective Dates

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**Beginning in 2018**

Provide written  
notice regarding  
LAR availability

[consumerfinance.gov/hmda](https://consumerfinance.gov/hmda)



# Effective Dates

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January 1<sup>st</sup>, 2019



Reports Timely

Reports Fully

Reports Accurately



Corrects  
Data

# Effective Dates

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## Beginning in 2020

### Large Volume Financial Institutions Report HMDA Data Quarterly

2019 Data	59,999 Covered Loans and applications	Do <u>Not</u> Submit Quarterly 
2019 Data	60,000 Covered Loans and applications	Submit Quarterly in 2020 

# Closing

Home Mortgage Disclosure Act (HMDA)

# For more information

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<http://www.consumerfinance.gov/policy-compliance/guidance/implementation-guidance/>

# Submit specific regulatory questions

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[CFPB\\_RegInquiries@cfpb.gov](mailto:CFPB_RegInquiries@cfpb.gov)

202-435-7700

**Technical questions:**

[hmdahelp@cfpb.gov](mailto:hmdahelp@cfpb.gov)

# Thank you

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Consumer Financial  
Protection Bureau