NH/ME Compliance Conference

HMDA Highlights

April 24, 2019
Agenda

- Where do we stand with 2018 data
- What should we be doing now?
- Q&A
2018 HMDA DATA
2018 HMDA Data

- 3/29/2019 CFPB published Modified LARs for 5,400 institutions
- 1st time expanded data set is publicly available
- Additional reports will be made available later this year

CFPB noted it “anticipates applying particular rigor and analysis to address data anomalies, including in the new data points and describing the context in which the data may be best understood.”
HMDA Data Publication

The HMDA data and reports are the most comprehensive publicly available information on mortgage market activity. The data and reports can be used along with the Census demographic information for data analysis purposes. Available below are the data and reports for HMDA data collected in or after 2017. For HMDA data and reports for prior years, visit https://www.ffiec.gov/hmda/hmdaproducts.htm.

**Modified Loan/Application Register (LAR)**
The modified LAR provides loan-level data for an individual financial institution, as modified by the Bureau to protect applicant and borrower privacy.

**Disclosure Reports**
These reports summarize lending activity for individual institutions, both nationwide and by MSA/MD.

**MSA/MD Aggregate Reports**
These reports summarize lending activity by MSA/MD.

**National Aggregate Reports**
These reports summarize nationwide lending activity. They indicate the number and dollar amounts of loan applications, cross-tabulated by loan, borrower and geographic characteristics.

**Snapshot National Loan-Level Dataset**
The snapshot files contain the national HMDA datasets as of April 18th, 2018 for all HMDA reporters, as modified by the Bureau to protect applicant and borrower privacy.

**Dynamic National Loan-Level Dataset**
The dynamic files contain the national HMDA datasets, modified by the Bureau to protect applicant and borrower privacy, updated weekly for all HMDA reporters.
2018 HMDA Data

- 12/21/2018: CFPB published final policy guidance for public disclosure of data (Executive Summary is good reference tool)

1. Exclude from the public loan-level HMDA data:
   a. Universal loan identifier or non-universal loan identifier
   b. Application date
   c. Action taken date
   d. Property address
   e. Credit score relied on in making the credit decision
   f. Mortgage loan originator NMLSR identifier
   g. Result generated by the automated underwriting system
   h. Free-form text fields for: race, ethnicity, name and version of credit scoring model, reason for denial, and name of the automated underwriting system.

2. Reduce the precision of most of the values reported for the following:
   a. Loan amount
   b. Age
   c. Debt-to-income ratio
   d. Property value
   e. Total units
   f. Multifamily affordable units
WHAT SHOULD WE BE DOING NOW?
What should we be doing now?

#1: Fair Lending Compliance Management: Analyze the Data!

- Raise awareness at every level in the company; top to bottom!
- Find the best resources to help with this - choose carefully (2017 and 2018)
- Develop/reevaluate/improve your Fair Lending Compliance Management System
- Stand alone task force or integrate with other groups - meet regularly, prepare minutes, create action plans
- Now more than ever: HMDA Data Integrity is ONLY the first step
What should we be doing now?

#2: Back to work with data integrity

- 2019 Data Integrity will be evaluated
- Evaluate challenges with 2018 data
- Objective testing of “final” quarterly LAR using Examination Testing Guidelines
- Include HMDA Team in evaluation of the new URLA
FFIEC HMDA Examiner Transaction Testing Guidelines:

- Apply to examinations of HMDA data collected beginning in 2018 and reported beginning in 2019
- Eliminate the file error resubmission threshold
- Establish, for the purpose of counting errors toward the field error resubmission threshold, allowable tolerances for certain data fields
- Provide a more lenient 10 percent field error resubmission threshold for financial institutions with LAR counts of 100 or less
- Not changed by 2018 interpretive rule


04/24/2019
# HMDA Transaction Testing Sample Sizes and Thresholds

<table>
<thead>
<tr>
<th>LAR Count</th>
<th>Total Sample Size (A)</th>
<th>Initial Sample Size (B)</th>
<th>Initial Sample Threshold (C)</th>
<th>Resubmission Threshold (D)</th>
<th>#</th>
<th>%</th>
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<tbody>
<tr>
<td>25 – 50</td>
<td>30*</td>
<td>15</td>
<td>2</td>
<td></td>
<td>3</td>
<td>10.0*</td>
</tr>
<tr>
<td>51 – 100</td>
<td>30</td>
<td>20</td>
<td>2</td>
<td></td>
<td>3</td>
<td>10.0</td>
</tr>
<tr>
<td>101 – 130</td>
<td>47</td>
<td>29</td>
<td>2</td>
<td></td>
<td>3</td>
<td>6.4</td>
</tr>
<tr>
<td>131 – 190</td>
<td>56</td>
<td>29</td>
<td>2</td>
<td></td>
<td>3</td>
<td>5.4</td>
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<tr>
<td>191 – 500</td>
<td>59</td>
<td>30</td>
<td>2</td>
<td></td>
<td>3</td>
<td>5.1</td>
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<tr>
<td>501 – 100,000</td>
<td>79</td>
<td>35</td>
<td>2</td>
<td></td>
<td>4</td>
<td>5.1</td>
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<tr>
<td>100,001+</td>
<td>159</td>
<td>61</td>
<td>2</td>
<td></td>
<td>4</td>
<td>2.5</td>
</tr>
</tbody>
</table>

Date: 04/24/2019
HMDA Key Fields: FDIC, OCC, FRB

- Previously, nearly all HMDA data fields were “key”
- 2015 HMDA rule includes 48 data points reported in a total of 110 fields (for non-exempt institutions)
- 37 of 110 fields were determined to be “key” by FDIC, OCC, and FRB
- “examination staff may determine that it is necessary to review additional HMDA data fields, as appropriate”

https://www.federalreserve.gov/supervisionreg/caletters/caltr1703.htm
What should we be doing now?

#3: Identify and react to the 2018 challenges

- Software updates mid-year changed loan level data
- Software updates in LOS impacted mapping to HMDA software
- AUS: difficult to automate
- CLTV for FHA and VA loans showed as quality edits since CFPB did not include MI in the portal
- Construction loan reporting
- DTI reporting
What should we be doing now?

#3: Identify and react to the 2018 challenges

- Interest only field
- Demographic information - mapping from system to system
- Business purpose loans
- State housing loans
- Manual calculations of DTI for asset based income
- Anything else?
HMDA Reporters: Identifying reportable transactions

- Only report transactions where you made the credit decision
- Reconcile HMDA data with NMLS Call Report
- Is pipeline management up to date? Action taken date?
- Focus on Commercial Loans: Dwelling definition; temporary financing
- Watch transactional volume thresholds for open-end and closed-end transactions
HMDA Reporters: Identifying reportable transactions

Do you have a HMDA reportable preapproval program?

“Written commitment issued must result from a comprehensive review of creditworthiness of the applicant, including verification of income, resources and other matters as is typically done by the institution as part of its normal credit evaluation program....” subject to specific limited conditions:

- Identification of suitable property
- No material change to financial condition
- Limited, customary conditions not related to creditworthiness of financial condition (i.e. sufficient title insurance)

- What you call it doesn’t matter!
- Ad hoc preapprovals do not make a “preapproval program,” but be consistent!
- Only reportable if originated, denied or approved/not accepted. (no withdrawn!)
HMDA Reporters: Identifying reportable transactions

Do you have a HMDA reportable preapproval program?

If No:  Do not report any preapproval loans; always use “preapproval not requested”

If Yes:  Report “preapproval requested” when applicable for a purchase
Report “Preapproval not requested”:
• For loan purposes other than purchase
• For purchased loans
• For multifamily loans
• For open-end loans and reverse mortgages
• For denied, withdrawn or closed for incompleteness
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Economic Growth Act - Partial Exemption

- Partial exemption with respect to 26 specific data fields only
- Insured depository institutions and credit unions if originated fewer than 500 closed-end loans in each of the 2 calendar years.
- Same language for open-end lines of credit
- Not applicable if poor CRA exam history
- Challenges with LOS/HMDA software/Ops Procedures, etc.
Economic Growth Act - Partial Exemption

Data Points not required under the partial exemption:

- Universal Loan Identifier (ULI)
- Property Address
- Rate Spread
- Credit Score
- Mandatorily Reported Reasons for Denial
- Total Loan Costs or Total Points and Fees
- Origination Charges
- Discount Points
- Lender Credits
- Interest Rate
- Prepayment Penalty Term
- Debt-to-Income Ratio
- Combined Loan-to-Value Ratio
- Loan Term
- Introductory Rate Period
- Non-Amortizing Features
- Property Value
- Manufactured Home Secured Property Type
- Manufactured Home Land Property Interest
- Multifamily Affordable Units
- Application Channel
- Mortgage Loan Originator Identifier
- Automated Underwriting System
- Reverse Mortgage Flag
- Open-End Line of Credit Flag
- Business or Commercial Purpose Flag
REVIEWING the HMDA DATA Fields
HMDA Data Points - Identifiers

MLO Identifier

- NMLSR ID of LO with primary responsibility for the transaction on action taken date
- NA if LO not required to obtain and has not obtained an NMLSR ID

Legal Entity Identifier

- Unique, 20-digit alphanumeric identifier issued by a utility endorsed by LEI Regulatory Oversight Committee or governed by Global LEI Foundation

Universal Loan Identifier

- Required for each loan or application
- Purchaser must use ULI assigned/previousy reported for the loan
- LEI + up to 23 additional unique characters + 2 character check digit
HMDA Data Points - Application/Loan Information

Application Date (tolerance for error)

- **Retail**: Either date received OR date on the application form.
- **TPO**: Date received by TPO, date received by FI, OR date on the application form.
- **Reinstated/Reconsidered Applications**:
  - Discretion to treat as a new application or existing
    - If existing, use original application date.
    - If new, use date of request.
  - Only within same calendar year - prohibition on multiple ULIs for the same loan
- **Purchased**: Report NA
- Policy decisions to be made - consistency is expected, but not every loan type or division needs to handle the same way.
Loan Type

- FHA, VA, USDA/RHS/FSA, or conventional
HMDA Data Points - Application/Loan Information

Loan Purpose

- Home purchase, home improvement, refinancing, cash-out refinancing or other
- Hierarchy of multi purpose loans has changed
  - Home purchase purpose supersedes all other purposes.
  - Refinancing/ Cash-Out Refinancing supersedes Home improvement & “other” purposes
  - Home Improvement supersedes “other” purpose loans.
- Business or Commercial
  - Report if primarily for business purpose, but is a home purchase, home improvement or refinancing.
  - If “other”, it is an excluded transaction.
  - Investment loans in residential area are business purpose loans
HMDA Data Points - Application/Loan Information

Loan Purpose

- Refinancing vs Cash-Out Refinancing
  - If investor guidelines are used to determine whether transaction is cash out, use this to determine refinance or cash out
  - How was the loan treated at application or during processing?

- Training and technology challenge:
  - LE/CD purpose (purchase/refinance/construction/home equity)
  - URLA: revisions do not include cash-out refinance as purpose
HMDA Data Points - Application/Loan Information

Loan Amount (tolerance for error)

- Must use exact dollar amount
- If counteroffer is accepted, report the covered loan amount
- Watch loan amount and mapped fields from LOS to HMDA Software
HMDA Data Points - Application/Loan Information

ECOA....

- Approved
- Denied
- Counteroffer
- Incomplete
- Withdrawn (but no notice required)

HMDA Action Taken

- Code 1: Loan Originated
- Code 2: Approved Not Accepted
- Code 3: Denied
- Code 4: Applicant Expressly Withdraw
- Code 5: File Closed for Incompleteness
- Code 6: Loan Purchased by Your Institution
- Code 7: Preapproval Request Denied
- Code 8: Preapproval Request Approved Not accepted
  (no longer optional reporting)
HMDA Data Points - Application/Loan Information

Regulation B Section 1002.9 Notification Requirements

When notification is required. A creditor shall notify an applicant of action taken within:

(i) 30 days after receiving a "completed" application concerning the creditor's approval of, counteroffer to, or adverse action on the application;
(ii) 30 days after taking adverse action on an incomplete application, unless notice is provided in accordance with paragraph (c) of this section;
(iii) 30 days after taking adverse action on an existing account; or
(iv) 90 days after notifying the applicant of a counteroffer if the applicant does not expressly accept or use the credit offered.
ECOA Discussion

Objective of an ECOA examination is:

“To determine whether the creditor has established policies, procedures and internal controls to ensure that it is in compliance with the ECOA and Regulation B. The intensity and scope of the current ECOA / Regulation B examination will depend in part on the adequacy of the creditor’s compliance management program.” *

* From CFPB ECOA Examination Program Guidelines
ECOA Notification Requirements: Starting Point for Creating Written Procedures

- If procedures do not exist in writing, form a committee to look at procedures from all angles.
- Ask a lot of questions: What practices exist? How do we ensure compliance? Do practices vary by loan product?
- What is a standard set of documents/info we need to make an informed/supported credit decision based on prudent business practices?
- How do we define completed application? Is it applied consistently for every loan?
- Commit these practices to writing, with input from all applicable departments and include the Compliance Officer/Committee in the development of the policy/procedures.
ECOA Notification Requirements: Discussion

- How do you define completed application?
- Do you have written procedures for processing loans?
- Does your staff have a processing timeline they manage to?
- Do you actively manage your pipeline?
- Need consistency for every application: Fair Lending concerns!!!
- Consider using an ECOA Notification Checklist when loan is cancelled
### HMDA Data Points - Application/Loan Information

**Excerpt from sample ECOA Notification Checklist**

<table>
<thead>
<tr>
<th></th>
<th>At Application</th>
<th>At Final Disposition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicant(s)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Address</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan Program</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan Amount</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Rate/Points</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit Score</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Value/LTV</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income/Ratios</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UW Findings</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Application Denied

- Report as denied if the credit decision to deny was made before the applicant withdraws the application or the file is closed for incompleteness.
- Report counteroffers that are not accepted by the applicant as a denial on the original terms requested.
- For conditional approvals, report as denied if applicant does not meet conditions within specified time.
- Action Taken Date: Date application denied or date notice is sent to the applicant.
**Adverse Action?**

**Regulation B Definition of Adverse Action:**

“A refusal to grant credit in substantially the amount or on substantially the terms requested in an application.”

- Are there any comments indicating the Bank was unable to provide financing for the original loan request?

- Examples of comments would be: “Appraisal came in low, borrower did not want mortgage insurance so they withdrew the loan” OR “Tax returns did not support income, borrower withdrew loan”.

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**HMDA Data Points - Application/Loan Information**
HMDA Data Points - Application/Loan Information

*Adverse Action?*

- Were there ANY changes to the loan request at any point during the loan process?
- Include withdrawn and incomplete loans in second review process
- Look at every piece of paper in the file; especially any file or system notes
HMDA Data Points - Application/Loan Information

Application Withdrawn

- Clarified timing: report if expressly withdrawn before application is denied, closed for incompleteness or approved (with no credit conditions)
- If conditionally approved and applicant expressly withdraws, report as withdrawn
- Action Taken Date: Date the express withdrawal was received or date shown on the notification form (if written withdrawal)
Application Closed for Incompleteness

- If Regulation B Notice of Incompleteness was sent and applicant did not respond within the required time.
- For conditional approvals: report as closed for incompleteness if a Regulation B notice was sent and applicant did not respond within required time frame.
  - Consider adding NOI language to commitment letters; watch for state law

- If a denial notice is sent on the basis of incompleteness, loan can be reported as incomplete or denied.
  - Action Taken Date: Date file was closed or date notice sent to applicant
Appendix C Form C-6: Model Form for Incomplete Notice

Creditor's name
Address
Telephone number
Date

Dear Applicant: Thank you for your application for credit. The following information is needed to make a decision on your application:

________________________________________________________________________

We need to receive this information by __________(date). If we do not receive it by that date, we will regrettably be unable to give further consideration to your credit request.

Sincerely,
Application Approved but not accepted

- Loan is approved subject solely to outstanding conditions that are customary commitment or closing conditions and applicant fails to respond or loan is not closed.
- Report rescinded loans as approved but not accepted.
- Include approved but not accepted counteroffer loans.
- Action Taken Date: Any reasonable date, such as approval date, deadline for accepting offer, or date file was closed.
## HMDA Data Points - Application/Loan Information

<table>
<thead>
<tr>
<th>Denied</th>
<th>Withdrawn</th>
<th>Closed For Incompleteness</th>
<th>Approved/Not Accepted</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Traditional denials</td>
<td>• Action taken by the borrower to withdraw</td>
<td>• Notice &amp; opportunity to complete</td>
<td>• Loan approved subject to closing conditions..</td>
</tr>
<tr>
<td>• Discouraging applications; credit score too low.</td>
<td>• Disappearing Borrowers?</td>
<td>• Conditional Approvals if NOI language is in commitment letter</td>
<td>No credit decisions</td>
</tr>
<tr>
<td>• Counteroffers if not accepted</td>
<td></td>
<td></td>
<td>• Rescinded Transactions</td>
</tr>
</tbody>
</table>
HMDA Data Points - Application/Loan Information

- **Action Taken**
  - Report repurchases as Loan Purchased by Your Institution
  - Remember: credit decision drives who reports the transaction

- **Action Taken Date (tolerance for error)**
  - Need to define approach for each action taken type and be consistent
  - Include this in your HMDA Procedures: consistency
HMDA Data Points - Application/Loan Information

Type of Purchaser

- Quarterly reporting is updated if loan is sold in the same calendar year
- Watch your quarterly scrubs if you do not sell loans right away

Lien Status

- Secured by a first lien; secured by a subordinate lien
- Must be secured by a dwelling to be reportable
HMDA Data Points - Application/Loan Information

- Prepayment Penalty Term
- Loan Term
- Balloon Payment
- Interest Only Payments
- Negative Amortization
- Other Non-Amortizing Features
- Introductory Rate Period
Reason for Denial

- Required for all institutions
- Up to 4 reasons, new free-form field to explain “Other” reason
  - Operational Controls for free-form?
- Do your ECOA denial reasons reconcile with your HMDA denial reasons?
HMDA Data Points - Application/Loan Information

Model Form C-5 (Regulation B)

- Credit application incomplete
- Insufficient number of credit references provided
- Unacceptable type of credit references provided
- Unable to verify credit references
- Temporary or irregular employment
- Unable to verify employment
- Length of employment
- Income insufficient for amount of credit requested
- Excessive obligations in relation to income
- Unable to verify income
- Length of residence
- Temporary residence
- Unable to verify residence
- No credit file
- Limited credit experience
- Poor credit performance with us
- Delinquent past or present credit obligations with others
- Collection action or judgment
- Garnishment or attachment
- Foreclosure or repossession
- Bankruptcy
- Number of recent inquiries on credit bureau report
- Value or type of collateral not sufficient
- Other, specify: ___

Regulation C Filing Instruction Codes

1. Debt-to-income ratio
2. Employment history
3. Credit history
4. Collateral
5. Insufficient cash (down payment, closing costs)
6. Unverifiable information
7. Credit application incomplete
8. Mortgage insurance denied
9. Other

(Repeat, up to 4)
HMDA Data Points - Application/Loan Information

Application Channel

- Two new fields: (1) whether the application was submitted directly to the institution, (2) whether the obligation initially payable to the institution
- NA for purchased loans
HMDA Data Points - Application/Loan Information

Reverse Mortgage
- Regulation Z definition, but without regard to whether the security interest is created in a principal dwelling.
- Lender making credit decision reports for HMDA

Open-end
- Regulation Z definition
HMDA Data Points - Application/Loan Information

Business or Commercial Purpose

- Includes multi-family properties (over 2 units per Reg. Z) regardless of occupancy
- Includes single family investment properties
- Business or commercial purpose coding impacts other fields
HMDA Data Points - Applicant Information

Age

• Age of applicant and co-applicant as of the application date

Demographic Information

• Sex: adds reporting option of “Applicant selected both male and female:
• Ethnicity: adds disaggregated subcategories for Hispanic and Latino/must report each category and subcategory selected (up to 5 total)
• Race: adds disaggregated subcategories; report all race categories and subcategory selected up to 5 total
• Free form text field for “Other” Ethnicity and Race subcategory
• Report whether each was based on visual observation or surname
HMDA Data Points - Applicant Information

Options: Use the current URLA 7/05 (revised 6/09) with following stipulations:

May ‘cross out’, ‘shade out’ or otherwise delete the Information for Government Monitoring Purposes section

- Add the Demographic Information Addendum page; OR
- CFPB’s Attachment A - Sample Data Collection Form; OR
- Lender Custom Form with the new Demographic Information fields; OR
- Replace the Government Monitoring Purposes section with the Demographic Info

Currently optional, mandatory for new applications on and after January 1, 2018
Ethnicity, Race & Sex

**Demographic Information Addendum.** This section asks about your ethnicity, sex, and race.

The purpose of collecting this information is to ensure that all applicants are treated fairly and that the housing needs of communities and neighborhoods are being fulfilled. For residential mortgage lending, federal law requires that we ask applicants for their demographic information (ethnicity, sex, and race) in order to monitor our compliance with equal credit opportunity, fair housing, and home mortgage disclosure laws. You are not required to provide this information, but are encouraged to do so. **The law provides that we may not discriminate on the basis of this information, or on whether you choose to provide it. However, if you choose not to provide the information and you have made this application in person, federal regulations require us to note your ethnicity, sex, and race on the basis of visual observation or surname.**

**Instructions:** You may select one or more "Hispanic or Latino" origins and one or more designations for "Race." If you do not wish to provide some or all of this information, select the applicable check box.

### Ethnicity
- [ ] Hispanic or Latino
  - [ ] Mexican
  - [ ] Puerto Rican
  - [ ] Cuban
  - [ ] Other Hispanic or Latino – Enter origin:
    - Examples: Argentinean, Colombian, Dominican, Nicaraguan, Salvadoran, Spaniard, etc.
- [ ] Not Hispanic or Latino
- [ ] I do not wish to provide this information

### Race
- [ ] American Indian or Alaska Native – Enter name of enrolled or principal tribe
- [ ] Asian
  - [ ] Asian Indian
  - [ ] Chinese
  - [ ] Filipino
  - [ ] Japanese
  - [ ] Korean
  - [ ] Vietnamese
  - [ ] Other Asian – Enter race:
    - Examples: Hawaiian, Vietnamese, Thai, Pakistani, Cambodian, etc.
- [ ] Black or African American
- [ ] Native Hawaiian or Other Pacific Islander
  - [ ] Native Hawaiian
  - [ ] Guamanian or Chamorro
  - [ ] Samoan
  - [ ] Other Pacific Islander – Enter race:
    - Examples: Fijian, Tongan, etc.
- [ ] White
- [ ] I do not wish to provide this information

### Sex
- [ ] Female
- [ ] Male
- [ ] I do not wish to provide this information

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**Options for Selection on In-Person Applications if borrower does not wish to provide.**

**For Borrower Only!**
Demographic Information Challenges

- Evaluation of online application software, not just LOS
- 36 DI fields = programming nightmare
- Solutions need to consider GMI collection versus new DI collection
- Difficult to address point of sale errors after initial 1003
- Point of sale training needs to happen often
HMDA Data Points - Property Information

Property Location/Census Tract

- State, county, census tract only (MSA/MD field eliminated)

Property Address

- Street address of property securing loan or application
- NA if not known (e.g., no property identified before loan denied or withdrawn)

Property Value

- Value of property relied on for credit decision
- NA if no value relied on, or if closed for incompleteness or withdrawn before credit decision made
HMDA Data Points - Property Information

**Occupancy Type (modified)**
- Principal residence, second residence or investment property
- Remember investment property is a business purpose loan and technically 3-4 unit owner occupied

**Construction Method (modified)**
- Replaces current “Property Type”
- Only 2 options: site-built or manufactured home
- Eliminates distinction between 1-to-4-family and multifamily dwellings (but multi-family ID required for other fields)
- Instruction on how to report when property type unknown deleted
HMDA Data Points - Property Information

Manufactured Home Secured Property Type

- With land, without land, or NA
- Land determination based on whether loan is secured by the land; regardless of whether home is classified as real property under state law

Manufactured Home Land Property Interest

- Whether applicant/borrower owns or leases land where manufactured home is/will be located
- Direct ownership, indirect ownership, paid leasehold, paid leasehold or NA
HMDA Data Points - Property Information

Total Units

- Total number of dwelling units related to property securing or proposed to secure the loan

Multifamily Affordable Units

- Number of dwelling units that are income-restricted under federal, state, or local affordable housing programs
- Only reported for loans secured by a multifamily dwelling
HMDA Data Points - Underwriting Elements

Income

- “Relied on” is the standard
- Do not include income amounts derived from underwriting calculations of potential annuitization or depletion of an applicant’s remaining assets
- Include actual distributions from retirement accounts or other assets relied on as income
- Report NA:
  - Streamlines
  - Non Natural Persons
  - Multifamily
  - Permissible for purchased loans
  - Employee loans
HMDA Data Points - Underwriting Elements

Combined Loan to Value Ratio

- “Relied On” Standard
  - If made one internal calculation and one for investor guidelines, report investor guideline calculation
- Report “Not Applicable”
  - No Credit Decision made (even if it was calculated!)
  - No DTI/LTV Relied On
  - Non-Natural Persons
  - Multifamily (DTI Only)
  - Purchased Loans
HMDA Data Points - Underwriting Elements

Credit Score and Version of Credit Scoring Model

- “Relied on” in making credit decision
  - Credit score was a factor even if it was not a dispositive factor

- Multiple borrowers and multiple scores

- Report Not Applicable
  - No Credit Decision
  - No Credit Score Relied on
  - Purchased Loans
  - Non Natural Persons
HMDA Data Points - Underwriting Elements

Debt to Income Ratio

- Relied on in credit decision
- Report “Not Applicable”
  - No Credit Decision made (even if it was calculated!)
  - No DTI/LTV Relied On
  - Non-Natural Persons
  - Multifamily (DTI Only)
  - Purchased Loans
HMDA Data Points - Underwriting Elements

Automated Underwriting System (new)

- Complex waterfall for reporting multiple results
  - Loan type/Purchaser type/Closest in time/Report them all
- Consider current HMDA staff: training?
- Operational changes - AUS only accessed through LOS?
- Post-consummation changes?
1. Did one of the AUS used match the loan type reported? (Example: Total Scorecard for FHA Loan)
   - If yes, did it obtain only one result? (Only approve results, no ineligibles)
     - If yes, report that AUS.
     - If no, see step 2.
     - If No, see step 2.

2. Does AUS used match the purchaser, insurer or guarantor for the loan? (Example: DU for Fannie Mae)
   - If yes, did it obtain only one result?
     - If yes, report that AUS.
     - If no, see step 3
   - If No, see step 3.

3. Report the AUS system & corresponding result that happened closest in time to the credit decision, UNLESS FI obtained simultaneous results. If results were simultaneous, see step 4.

4. If FI obtained simultaneous results closest in time to the credit decision, report all of those simultaneous AUS systems & results, up to 5.

5. If FI obtained more than 5 results simultaneously, pick any 5.
HMDA Data Points - Pricing Elements

Rate Spread

- Expanded to all loans subject to Regulation Z, not just higher-priced
- Difference between APR and Average Prime Offer Rate as of the date the interest rate is set
- Report for approved not accepted loans
- Refer to NA publication

HOEPA Status

- New category for loans subject to HOEPA that are not high cost

Interest Rate

- From the LE (if no CD is issued) or CD
- Report interest rate for approved not accepted applications
HMDA Data Points - Pricing Elements

Total Loan Costs/Points & Fees

- Loan Costs: loans subject to ATR and TRID; from Closing Disclosure
- Points & Fees: loans subject to ATR but not subject to TRID
- Rules for reporting when Revised CD is issued

Origination Charges, Discount Points, Lender Credits

- Loans subject to TRID only - from Closing Disclosure
- Lender Credits: evaluate controls for issuing lender credits