

December 2015

OMB Control No. 3170-0008

Home Mortgage Disclosure (Regulation C)

Small Entity Compliance Guide

Table of contents

Table of contents.....	1
1. Introduction.....	5
1.1 Purpose of this guide	6
1.2 Additional implementation resources.....	7
2. Key changes and effective dates	8
2.1 Institutional coverage	8
2.2 Transactional coverage	9
2.3 Required data points.....	10
2.4 Collection and reporting of applicant information	11
2.5 Annual reporting.....	12
2.6 Quarterly reporting.....	13
2.7 Disclosure requirements.....	13
2.8 Enforcement provisions for larger-volume reporters	14
3. Institutional coverage.....	15
3.1 Institutional coverage during 2017.....	15
3.2 Institutional coverage on or after January 1, 2018	18
3.3 Exempt institutions	22
4. Transactional coverage.....	23

4.1	Covered loans.....	23
4.2	Reportable activity.....	32
5.	Reportable data.....	38
5.1	Applicant information	38
5.2	Universal loan identifier (ULI)	45
5.3	Application date.....	47
5.4	Application channel.....	48
5.5	Preapproval request.....	49
5.6	Loan type.....	49
5.7	Loan purpose	49
5.8	Loan amount.....	52
5.9	Loan term.....	54
5.10	Action taken and date	55
5.11	Reason for denial	55
5.12	Property address and location.....	56
5.13	Construction method.....	57
5.14	Occupancy type	58
5.15	Lien status.....	59
5.16	Manufactured home information.....	60
5.17	Property value.....	61
5.18	Total units	62
5.19	Multifamily affordable units.....	63
5.20	Debt-to-income ratio	65
5.21	Combined loan-to-value	66
5.22	Credit score information.....	67

5.23 Automated underwriting system information	68
5.24 Interest rate.....	71
5.25 Introductory rate period.....	73
5.26 Rate spread	74
5.27 Contractual features.....	78
5.28 Data points for certain loans subject to Regulation Z.....	79
5.29 Transaction indicators	82
5.30 Mortgage loan originator identifier	83
5.31 Type of purchaser	84
6. Recording and reporting.....	87
6.1 Recording.....	87
6.2 Reporting	87
6.3 Disclosure of data	90
7. Enforcement provisions.....	92
8. Mergers and acquisitions	93
8.1 Determining coverage.....	93
8.2 Reporting responsibility for calendar year of merger or acquisition.....	93
8.3 Changes to appropriate Federal agency or TIN	95
8.4 Determining quarterly reporting coverage.....	95
9. Practical implementation and compliance considerations.....	97
9.1 Identifying affected institutions, products, departments, and staff.....	97
9.2 Implementation and compliance management support activities	100
Attachment A:.....	103
Sample data collection form.....	103

Attachment B:..... 104

Action taken chart 104

Attachment C:..... 108

Sample notices..... 108

PAPERWORK REDUCTION ACT

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and, notwithstanding any other provision of law, a person is not required to respond to a collection of information unless it displays a valid OMB control number. The OMB control number for this collection is 3170-0008. It expires on January 31, 2016. The information collections created by the Final Rule published October 28, 2015 at 80 FR 66127, have been submitted to OMB for approval, but have not yet been approved by OMB. These information collections will not become effective until either three years from the date of publication of this rule, or upon approval from OMB; whichever date is later. The time required to complete this information collection is estimated to average between 161 hours and 9,000 hours per response depending on the size of the institution. The obligation to respond to this collection of information is mandatory per the Home Mortgage Disclosure Act, 12 U.S.C. 2801-2810, as implemented by CFPB's Regulation C, 12 CFR part 1003. Comments regarding this collection of information, including the estimated response time, suggestions for improving the usefulness of the information, or suggestions for reducing the burden to respond to this collection should be submitted to the Consumer Financial Protection Bureau (Attention: PRA Office), 1700 G Street NW, Washington, DC 20552, or by email to PRA@cfpb.gov. The other agencies collecting information under this regulation maintain OMB control numbers for their collections as follows: Office of the Comptroller of the Currency (1557-0159), the Federal Deposit Insurance Corporation (3064-0046), the Federal Reserve System (7100-0247), the Department of Housing and Urban Development (2502-0529), and the National Credit Union Administration (3133-0166).

1. Introduction

The Home Mortgage Disclosure Act (HMDA), which Congress enacted in 1975, requires certain financial institutions to collect, record, report, and disclose information about their mortgage lending activity. Regulation C implements HMDA and sets out specific requirements for the collection, recording, reporting, and disclosure of mortgage lending information. The data-related requirements in HMDA and Regulation C serve three primary purposes: (1) to help determine whether financial institutions are serving their communities' housing needs; (2) to assist public officials in distributing public investment to attract private investment; and (3) to assist in identifying potential discriminatory lending patterns and enforcing antidiscrimination statutes.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) transferred rulemaking authority for HMDA to the Consumer Financial Protection Bureau (Bureau), effective July 2011. It also amended HMDA to require financial institutions to report new data points and authorized the Bureau to require financial institutions to collect, record, and report additional information. On August 29, 2014, the Bureau published [proposed amendments to Regulation C](#) to implement the Dodd-Frank Act changes and to make additional changes. The Bureau carefully reviewed and considered the comments it received on its proposed amendments. On October 15, 2015, the Bureau issued a final rule (2015 HMDA Rule) amending Regulation C. The [2015 HMDA Rule](#) was published in the *Federal Register* on October 28, 2015. The 2015 HMDA Rule implements the Dodd-Frank Act amendments and makes other changes to Regulation C.

1.1 Purpose of this guide

The purpose of this guide is to provide an easy-to-use summary of Regulation C, as amended by the 2015 HMDA Rule, and to highlight information that financial institutions and those that work with them might find helpful when implementing the 2015 HMDA Rule.

This guide meets the requirements of Section 212 of the Small Business Regulatory Enforcement Fairness Act of 1996, which requires the Bureau to issue a small entity compliance guide to help small entities comply with new regulations. Larger entities may also find this guide useful.

This guide is not a substitute for the 2015 HMDA Rule or Regulation C. Regulation C, the 2015 HMDA Rule, and their official interpretations (also known as the commentary) are the definitive sources of information regarding their requirements. The 2015 HMDA Rule is available at <http://www.consumerfinance.gov/regulatory-implementation/hmda/>.

The focus of this guide is Regulation C, as amended by the 2015 HMDA Rule. Except when specifically needed to explain a provision of amended Regulation C, this guide does not discuss other Federal or State laws that may apply to mortgage lending.

This guide has examples to illustrate some portions of the 2015 HMDA Rule. The examples do not include all possible factual situations that could illustrate a particular provision, trigger a particular obligation, or satisfy a particular requirement. Even though an example may identify a fictitious financial institution as, for example, “Ficus Bank” or “Ficus Mortgage Company,” the provision or obligation being illustrated in the example may apply to all financial institutions, including both depository and nondepository financial institutions.

Sometimes this guide will distinguish between the requirements of the 2015 HMDA Rule and the requirements of Regulation C as they apply before a specific part of the 2015 HMDA Rule goes into effect. When making these distinctions, the guide generally refers to the requirements of Regulation C as they apply before a specific part of the 2015 HMDA Rule goes into effect as “current Regulation C.” However, it should be understood that this means the requirements of Regulation C as they are before the specific part of the 2015 HMDA Rule being discussed goes into effect, not Regulation C as of any specific date (such as the date the guide is being read).

1.2 Additional implementation resources

Additional resources to help institutions understand and comply with the 2015 HMDA Rule are available on the Bureau's website at <http://www.consumerfinance.gov/regulatory-implementation/hmda/>.

A person who has a specific regulatory interpretation question about the 2015 HMDA Rule after reviewing these materials may submit the question in writing to CFPB_RegInquiries@cfpb.gov. Please specify HMDA in the subject line and provide regulatory cites to indicate the topic of the question. Any person without access to email may leave his or her question in a voicemail at 202-435-7700. Bureau staff provides only informal responses to regulatory inquiries, and the responses do not constitute official interpretations or legal advice.

Generally, Bureau staff is not able to respond to specific inquiries the same business day or within a particular requested timeframe. Actual response times will vary based on the number of questions Bureau staff is handling and the amount of research needed to respond to a specific question.

Technical questions about collecting or reporting 2015 and 2016 HMDA data (reported in 2016 and 2017) should continue to be directed to hmdahelp@frb.gov or 202-452-2016. Technical questions about collecting HMDA data for 2017 and later years or reporting HMDA data in 2018 and later years should be directed to hmdahelp@cfpb.gov or 855-438-2372.

2. Key changes and effective dates

The 2015 HMDA Rule changes: (1) the types of financial institutions that are subject to Regulation C; (2) the types of transactions that are subject to Regulation C; (3) the data that financial institutions are required to collect, record, and report; and (4) the processes for reporting and disclosing HMDA data.

Most provisions of the 2015 HMDA Rule go into effect on January 1, 2018 and apply to data collected in 2018 and reported in 2019 or later years. However, an institutional coverage change for depository institutions is effective January 1, 2017. Certain changes regarding reporting and changes to the enforcement provisions regarding good faith efforts are effective January 1, 2019. The new quarterly reporting requirement is effective January 1, 2020.

This section summarizes these key changes and provides the effective date for each key change. For an illustration of the 2015 HMDA Rule's effective dates, see the [HMDA Key Dates Timeline](#). For more detailed information on the 2015 HMDA Rule's specific requirements, see Sections 3 through 8.

2.1 Institutional coverage

Effective January 1, 2017 through December 31, 2017 for certain changes to depository institution coverage; effective January 1, 2018 for broader changes to institutional coverage

The 2015 HMDA Rule changes institutional coverage in two phases.

First, the 2015 HMDA Rule narrows the scope of depository institutions subject to Regulation C in 2017. A bank, savings association, or credit union is not subject to Regulation C in 2017

unless it meets all of the coverage criteria for depository institutions under current Regulation C, and it originates at least 25 home purchase loans (including refinancings of home purchase loans) in both 2015 and 2016. 12 CFR 1003.2 (financial institution)(1).

Second, effective January 1, 2018, the 2015 HMDA Rule adopts a uniform loan-volume threshold for all financial institutions. Beginning in 2018, a financial institution will be subject to Regulation C if it originated at least 25 covered closed-end mortgage loans in each of the two preceding years or at least 100 covered open-end lines of credit in each of the two preceding calendar years, and it meets other applicable coverage requirements. For depository financial institution coverage, the 2015 HMDA Rule maintains current Regulation C's asset-size threshold, location test, federally related test, and loan activity test. For nondepository financial institutions, the 2015 HMDA Rule retains the current location test. A nondepository financial institution is subject to Regulation C, effective January 1, 2018, if it originated at least 25 covered closed-end mortgage loans or at least 100 covered open-end lines of credit in each of the two preceding calendar and meets the location test. 12 CFR 1003.2(g)(1), (2).

For more information regarding which financial institutions are subject to the 2015 HMDA Rule, see Section 3 and the [HMDA Institutional Coverage Charts](#).

2.2 Transactional coverage

Effective January 1, 2018 for data collected on or after January 1, 2018 (to be reported in or after 2019)

The 2015 HMDA Rule modifies the types of transactions that are subject to Regulation C and generally adopts a dwelling-secured standard for transactional coverage.

Beginning on January 1, 2018, Regulation C generally applies to consumer-purpose, closed-end loans and open-end lines of credit that are secured by a dwelling. 12 CFR 1003.2(d), (e), and (o). A home improvement loan is not subject to Regulation C unless it is secured by a dwelling.

Beginning on January 1, 2018, Regulation C applies to business-purpose, closed-end loans and open-end lines of credit that are dwelling-secured and are home purchase loans, home improvement loans, or refinancings. 12 CFR 1003.3(c)(10). For business-purpose transactions,

the 2015 HMDA Rule creates a dwelling-secured standard and maintains current Regulation C's purpose test.

The 2015 HMDA Rule retains existing categories of excluded transactions, clarifies some categories of excluded transactions, and expands the existing exclusion for agricultural-purpose transactions. 12 CFR 1003.3(c). It also adds new categories of excluded transactions that are designed to work in tandem with the 2015 HMDA Rule's other changes.

The 2015 HMDA Rule expands the types of preapproval requests that are reported, but also excludes requests regarding some types of loans from the scope of reportable preapproval requests. Under the 2015 HMDA Rule, reporting of preapproval requests that are approved but not accepted is required instead of optional. However, under the 2015 HMDA Rule, preapproval requests regarding home purchase loans to be secured by multifamily dwellings, preapproval requests for open-end lines of credit, and preapproval requests for reverse mortgages are not reportable.

For more information regarding the transactions that are subject to the 2015 HMDA Rule, see Section 4.

2.3 Required data points

Effective January 1, 2018 and applicable to data reported in or after 2019

The 2015 HMDA Rule adds the data points specified in the Dodd-Frank Act as well as data points that the Bureau determined will assist in carrying out HMDA's purposes. For example, the 2015 HMDA Rule adds new data points for age, credit score, automated underwriting information, debt-to-income ratio, unique loan identifier, property value, application channel, points and fees, borrower-paid origination charges, discount points, lender credits, loan term, prepayment penalty, and identification of other loan features. 12 CFR 1003.4. The 2015 HMDA Rule also modifies some existing data points. For an illustration of the data points that the 2015 HMDA Rule adds or modifies, see the [Summary of Reportable HMDA Data – Regulatory Reference Chart](#).

A financial institution collects, records, and reports the new and modified data points under the 2015 HMDA Rule for applications on which final action is taken on or after January 1, 2018. If a

financial institution receives an application in 2017 but takes final action on it in 2018, it is required to collect, record, and report the new and modified data points under the 2015 HMDA Rule. There is a special transition rule that applies to the collection of an applicant's ethnicity, race, and sex. This special transition rule is discussed in Section 5.1.1.

A financial institution collects, records, and reports the new and modified data points, to the extent that they apply to purchased loans, for purchases of covered loans that occur on or after January 1, 2018.

For more information regarding the data points that must be reported under the 2015 HMDA Rule, see Section 5.

2.4 Collection and reporting of applicant information

Effective January 1, 2018 for data collected in or after 2018 (to be reported in or after 2019)

For data collected in or after 2018, the 2015 HMDA Rule amends the requirements for collection and reporting of information regarding an applicant's or borrower's ethnicity, race, and sex.

First, the 2015 HMDA Rule adds a requirement to report how the institution collected the information about the applicant's or borrower's ethnicity, race, and sex. A financial institution will report whether or not it collected the information on the basis of visual observation or surname. 12 CFR 1003.4(a)(10)(i). Financial institutions are required to collect information about an applicant's ethnicity, race, and sex on the basis of visual observation or surname when an applicant chooses not to provide the information for an application taken in person.

Second, financial institutions must permit applicants to self-identify using disaggregated ethnic and racial subcategories and must report disaggregated information applicants provide. However, the 2015 HMDA Rule does not require or permit financial institutions to use the disaggregated subcategories when identifying the applicant's ethnicity and race based on visual observation or surname. The 2015 HMDA Rule includes a new sample data collection form in appendix B that provides the required aggregated categories and disaggregated subcategories for ethnicity and race. Appendix B to Part 1003.

For more information regarding the collection and reporting of applicant information under the 2015 HMDA Rule, see Section 5.1.

2.5 Annual reporting

Effective January 1, 2018 for changes requiring electronic submission of 2017 HMDA data in 2018; effective January 1, 2019 for changes requiring electronic submission of HMDA data in 2019 and later years

The 2015 HMDA Rule retains the requirement that a financial institution submit its HMDA data to its appropriate Federal agency by March 1 following the calendar year for which it collected the data, but requires electronic submission of the data.

The Bureau is developing a new web-based tool for electronically submitting HMDA data. Financial institutions are required to submit data electronically using the new web-based tool beginning in 2018 for data collected in 2017. For more information on the new submission tool, see <http://www.consumerfinance.gov/hmda/>.

Appendix A to Part 1003, which includes instructions for completing and submitting the HMDA loan/application register (LAR), is amended effective January 1, 2018 to include new transition requirements for data collected in 2017 and reported in 2018. In particular, amended appendix A requires that a financial institution electronically submit its HMDA data. Procedures for electronic submission of 2017 HMDA data will be available at <http://www.consumerfinance.gov/hmda/>.

Effective January 1, 2019, appendix A is removed from Regulation C. Beginning in 2019, financial institutions are required to submit the new dataset electronically in accordance with the 2015 HMDA Rule, using the new web-based submission tool and revised procedures that will be available at <http://www.consumerfinance.gov/hmda/>.

For more information regarding annual reporting under the 2015 HMDA Rule, see Section 6.2.1.

2.6 Quarterly reporting

Effective January 1, 2020 for data collected and reported in or after 2020

The 2015 HMDA Rule imposes a new quarterly reporting requirement for larger-volume reporters. In addition to their annual data submission, these larger-volume reporters will also electronically submit their HMDA data for each of the first three quarters of the year on a quarterly basis beginning in 2020. 12 CFR 1003.5(a)(1)(ii).

For more information regarding quarterly reporting under the 2015 HMDA Rule, see Section 6.2.2.

2.7 Disclosure requirements

Effective January 1, 2018 for data collected on or after January 1, 2017 (to be reported in or after 2018)

The 2015 HMDA Rule replaces Regulation C's requirements to provide a disclosure statement and modified LAR¹ to the public upon request with new requirements to provide notices that the institution's disclosure statement and modified LAR are available on the Bureau's website. 12 CFR 1003.5(b)(2) and (c).

¹ HMDA requires a financial institution to make available to the public, upon request, "loan application register information" in the form required under Regulation C, and requires the Bureau to determine if deletions from the information are appropriate to protect applicants' and borrowers' privacy interests or to protect financial institutions from liability under privacy laws. 12 USC 304(j). Prior to being disclosed to the public, LARs must be modified to remove loan application register information that the Bureau determines should be deleted.

The Bureau will determine if it should modify data to protect applicant and borrower privacy before posting the data to the Bureau's website.²

The 2015 HMDA Rule also modifies the content of the posting required under Regulation C.

The 2015 HMDA Rule includes sample language that financial institutions can use to provide notice that the institution's HMDA data are available on the Bureau's website and to comply with the posting requirement. These revised disclosure requirements are effective January 1, 2018 and apply to data collected on or after January 1, 2017 and reported in or after 2018.

For more information regarding the disclosure requirements under the 2015 HMDA Rule, see Section 6.3.

2.8 Enforcement provisions for larger-volume reporters

Effective January 1, 2019

The 2015 HMDA Rule provides that inaccuracies or omissions in quarterly reporting are not violations of HMDA or Regulation C if the financial institution makes a good-faith effort to report quarterly data timely, fully, and accurately, and then corrects or completes the data prior to its annual submission. 12 CFR 1003.6(c)(2).

For more information regarding the enforcement provisions of the 2015 HMDA Rule, see Section 7.

² As required under current Regulation C, the Bureau will redact three fields (application or loan number, application date, and date action taken) from the 2017 HMDA data prior to disclosing the data to the public. For data collected under the 2015 HMDA Rule, the Bureau will use a balancing test to determine whether and, if so, how data should be modified prior to disclosure. The Bureau will balance the potential harm to applicant and borrower privacy with the need to provide information to fulfill HMDA's disclosure purposes.

3. Institutional coverage

An institution is required to comply with Regulation C only if it is a “financial institution” as that term is defined in Regulation C. The 2015 HMDA Rule changes the Regulation C definition of “financial institution” in two phases. The first phase of institutional coverage changes, which is effective January 1, 2017, only affects banks, savings associations, and credit unions. The second phase of institutional coverage changes, which is effective January 1, 2018, affects all institutions.

3.1 Institutional coverage during 2017

During 2017, a bank, savings association, or credit union uses the revised coverage criteria, outlined in Section 3.1.1, to determine if it is a financial institution under Regulation C. 12 CFR 1003.2 (financial institution)(1). Although the coverage criteria for an institution other than a bank, savings association, or credit union does not change in 2017, Section 3.1.2 of this guide outlines the coverage criteria that an institution other than a bank, credit union, or savings association uses to determine if it is a financial institution under Regulation C during 2017. 12 CFR 1003.2 (financial institution)(2). An institution may also find the [2017 HMDA Institutional Coverage Chart](#) helpful when determining whether it is subject to Regulation C in 2017.

3.1.1 Banks, savings associations, and credit unions

Under the 2015 HMDA Rule, between January 1, 2017 and December 31, 2017, a bank, savings association, or credit union is subject to Regulation C if it meets **ALL**³ of the following:

1. **Asset-Size Threshold.** On December 31, 2016, the bank, savings association, or credit union had assets in excess of the asset-size threshold published annually in the *Federal Register* and posted on the Bureau’s website. 12 CFR 1003.2 (financial institution)(1)(i); comment (financial institution)-2.
2. **Location Test.** On December 31, 2016, the bank, savings association, or credit union had a home or branch office located in a metropolitan statistical area (MSA). 12 CFR 1003.2(financial institution)(1)(ii).

The U.S. Office of Management and Budget (OMB) defines MSAs. For more information on MSAs, see <https://www.ffiec.gov/census/default.aspx> and <https://www.ffiec.gov/geocode/help1.aspx>.

3. **Loan Activity Test.** During 2016, the bank, savings association, or credit union originated at least one home purchase loan (including a refinancing of a home purchase loan) secured by a first lien on a one-to-four-family dwelling. 12 CFR 1003.2 (financial institution)(1)(iii).
4. **Federally Related Test.** The bank, savings association, or credit union:
 - a. Is federally insured; or
 - b. Is federally regulated; or
 - c. Originated a home purchase loan (including a refinancing of a home purchase loan) that was secured by a first lien on a one-to-four-family dwelling and that also (i) was insured, guaranteed, or supplemented by a Federal agency OR (ii) was intended for sale to Fannie Mae or Freddie Mac. 12 CFR 1003.2 (financial institution)(1)(iv).

³ When determining whether it meets these criteria for 2017, a bank, savings association, or credit union relies on the definitions in the version of Regulation C effective in 2017. For example, a bank, saving association, or credit union uses the definition of “branch office” and “home purchase loan” in the version of Regulation C effective in 2017.

5. **Loan-Volume Threshold.** In each of the two preceding calendar years, the bank, savings association, or credit union originated at least 25 home purchase loans (including refinancings of home purchase loans). Coverage depends on the number of home purchase loans (including refinancings of home purchase loans) that the bank, savings association, or credit union originated. To determine whether activities with respect to a particular loan constitute an origination, see the official commentary effective in 2017, including comments 1(c)-2 through -6 and 4(a)-1.iii and -1.iv.

3.1.2 For-profit mortgage-lending institutions

Between January 1, 2017 and December 31, 2017, a for-profit mortgage-lending institution (other than a bank, savings association, or credit union) is subject to Regulation C if it meets **ALL**⁴ of the following:

1. **Location Test.** On December 31, 2016, the mortgage-lending institution had a home or branch office located in an MSA. 12 CFR 1003.2 (financial institution)(2)(ii).

The U.S. Office of Management and Budget (OMB) defines MSAs. For more information on MSAs, see <https://www.ffiec.gov/census/default.aspx> and <https://www.ffiec.gov/geocode/help1.aspx>.

For purposes of this location test, a branch office of a for-profit mortgage-lending institution is: (a) any one of the institution's offices (b) that takes applications from the public for home purchase loans, home improvement loans, or refinancings. 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 loans, home improvement loans, or refinancings related to property located in that MSA. 12 CFR 1003.2 (branch office)(2).

2. **Loan Volume or Amount Test.** During 2016, the mortgage-lending institution 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

⁴ When determining whether it meets these criteria for 2017, a for-profit mortgage-lending institution relies on the definitions in the version of Regulation C effective in 2017. For example, a for-profit mortgage-lending institution uses the definition of "branch office" and "home purchase loan" in the version of Regulation C effective in 2017.

- b. Originated home purchase loans (including refinancings of home purchase loans) that equaled at least \$25 million. 12 CFR 1003.2(financial institution)(2)(i).

3. Loan-Volume or Asset-Size Threshold. Either:

- a. On December 31, 2016, the mortgage-lending institution and its parent corporation (if any) had assets in excess of \$10 million; or
- b. In 2016, the mortgage-lending institution originated at least 100 home purchase loans (including refinancings of home purchase loans). 12 CFR 1003.2(financial institution)(2)(iii).

3.2 Institutional coverage on or after January 1, 2018

Beginning on January 1, 2018, the 2015 HMDA Rule further revises the definition of “financial institution” and adds definitions for “depository financial institution” and “nondepository financial institution.” 12 CFR 1003.2(g). As of that date, a financial institution subject to Regulation C is either a depository financial institution or nondepository financial institution. An institution uses these two new definitions, which are outlined below, as coverage tests to determine whether it is a financial institution that is required to comply with Regulation C, effective January 1, 2018. Although the 2015 HMDA Rule is the definitive source regarding the institutional coverage criteria, an institution may also find the [2018 HMDA Institutional Coverage Chart](#) helpful when it is determining whether it is subject to Regulation C, effective January 1, 2018.

Throughout the remainder of this guide, an institution that meets the criteria set forth in the 2015 HMDA Rule’s definition of depository financial institution is referred to as a Depository Financial Institution, and an institution that meets the criteria set forth in the 2015 HMDA Rule’s definition of nondepository financial institution is referred to as a Nondepository Financial Institution. The capitalized term Financial Institution refers to an institution that is either a Depository Financial Institution or a Nondepository Financial Institution and that is an institution that is subject to the 2015 HMDA Rule, effective January 1, 2018.

3.2.1 Depository financial institutions

Under the 2015 HMDA Rule, effective January 1, 2018, a bank, savings association, or credit union is a Depository Financial Institution, a Financial Institution, and subject to Regulation C if it meets **ALL**⁵ of the following:

1. **Asset-Size Threshold.** On the preceding December 31, the bank, savings association, or credit union had assets in excess of the asset-size threshold published annually in the *Federal Register* and posted on the Bureau's website. The phrase "preceding December 31" refers to the December 31 immediately preceding the current calendar year. For example, in 2018, the preceding December 31 is December 31, 2017. 12 CFR 1003.2(g)(1)(i).
2. **Location Test.** On the preceding December 31, the bank, savings association, or credit union had a home or Branch Office located in an MSA. 12 CFR 1003.2(g)(1)(ii).

For purposes of this location test, a Branch Office for a bank, savings association, or credit union is an office: (a) of the bank, savings association, or credit union (b) that is considered a branch by the institution's Federal or State supervisory agency. For purposes of the 2015 HMDA Rule, an automated teller machine or other free-standing electronic terminal is not a Branch Office regardless of whether the supervisory agency would consider it a branch. 12 CFR 1003.2(c)(1). A Branch Office of a credit union is any office where member accounts are established or loans are made, whether or not an agency has approved the office as a branch. Comment 2(c)(1)-1.

3. **Loan Activity Test.** During the preceding calendar year, the bank, savings association, or credit union originated at least one Home Purchase Loan or Refinancing of a Home Purchase Loan secured by a first lien on a one-to four-unit Dwelling. 12 CFR 1003.2(g)(1)(iii).

For more information on whether a loan is secured by a Dwelling, is a Home Purchase Loan, or is a Refinancing of a Home Purchase Loan, see Sections 4.1.1.2 and 5.7.

4. **Federally Related Test.** The bank, savings association, or credit union:
 - a. Is federally insured; or

⁵ When determining whether it meets these criteria on or after January 1, 2018, a bank, savings association, or credit union relies on the definitions in the 2015 HMDA Rule.

- b. Is federally regulated; or
- c. Originated at least one Home Purchase Loan or Refinancing of a Home Purchase Loan that was secured by a first lien on a one- to-four-unit Dwelling and also (i) was insured, guaranteed or supplemented by a Federal agency OR (ii) was intended for sale to Fannie Mae or Freddie Mac. 12 CFR 1003.2(g)(1)(iv).

5. **Loan-Volume Threshold.** The bank, savings association, or credit union originated at least 25 Closed-End Mortgage Loans in each of the two preceding calendar years, or originated at least 100 Open-End Lines of Credit in each of the two preceding calendar years. When the bank, savings association, or credit union determines whether it meets this loan-volume threshold, it does not count transactions excluded by 12 CFR 1003.3(c)(1) through (10). 12 CFR 1003.2(g)(1)(v). These Excluded Transactions are discussed below in Section 4.1.2 in paragraphs 1 through 10. For more information on Closed-End Mortgage Loans, Open-End Lines of Credit, and Excluded Transactions, see Section 4.1.

When determining if it meets the loan-volume threshold, a bank, savings association, or credit union only counts Closed-End Mortgage Loans and Open-End Lines of Credit that it originated. Only one institution is deemed to have originated a specific Closed-End Mortgage Loan or Open-End Line of Credit under the 2015 HMDA Rule, even if two or more institutions are involved in the origination process. Only the institution that is deemed to have originated the transaction under the 2015 HMDA Rule counts it for purposes of the origination threshold. Comments 2(g)-5; see also comments 4(a)-2 through -4. For more information on how to determine whether an institution is deemed to have originated a transaction under the 2015 HMDA Rule, see Section 4.2.3.

The 2015 HMDA Rule also includes a separate test to ensure that Financial Institutions that meet only the 25 Closed-End Mortgage Loan threshold are not required to report their Open-End Lines of Credit, and that Financial Institutions that meet only the 100 Open-End Line of Credit threshold are not required to report their Closed-End Mortgage Loans. 12 CFR 1003.3(c)(11) and (12). For more information, see Section 4.1.2.

3.2.2 Nondepository financial institutions

Under the 2015 HMDA Rule, effective January 1, 2018, a for-profit mortgage-lending institution (other than a bank, savings association, or credit union) is a Nondepository Financial

Institution, a Financial Institution, and subject to Regulation C if it meets **BOTH**⁶ of the following:

1. **Location Test.** The mortgage-lending institution had a home or Branch Office in an MSA on the preceding December 31. The phrase “preceding December 31” refers to the December 31 immediately preceding the current calendar year. For example, in 2018, the preceding December 31 is December 31, 2017. 12 CFR 1003.2(g)(2)(i).

For purposes of this location test, a Branch Office of a for-profit mortgage-lending institution is: (a) any one of the institution’s offices (b) at which the institution takes from the public Applications for Covered 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 Covered Loans related to property located in that MSA. 12 CFR 1003.2(c)(2). For more information on Applications and Covered Loans, see Section 4.

2. **Loan-Volume Threshold.** The mortgage-lending institution originated at least 25 Closed-End Mortgage Loans in each of the two preceding calendar years, or originated at least 100 Open-End Lines of Credit in each of the two preceding calendar years. When an institution determines whether it meets the loan-volume threshold, it does not count transactions excluded by 12 CFR 1003.3(c)(1) through (10). 12 CFR 1003.2(g)(2)(ii). These Excluded Transactions are discussed below in Section 4.1.2 in paragraphs 1 through 10. For more information on Closed-End Mortgage Loans, Open-End Lines of Credit, and Excluded Transactions, see Section 4.1.

When determining if it meets the loan-volume threshold, a mortgage-lending institution only counts Closed-End Mortgage Loans and Open-End Lines of Credit that it originated. Only one institution is deemed to have originated a specific Closed-End Mortgage Loan or Open-End Line of Credit under the 2015 HMDA Rule, even if two or more institutions are involved in the origination process. Only the institution that is deemed to have originated the transaction under the 2015 HMDA Rule counts it for purposes of the origination threshold. Comment 2(g)-5. See also comments 4(a)-2 through -4. For more information

⁶ When determining whether it meets these criteria on or after January 1, 2018, a mortgage-lending institution relies on the definitions in the 2015 HMDA Rule.

on how to determine whether an institution is deemed to have originated a transaction under the 2015 HMDA Rule, see Section 4.2.3.

The 2015 HMDA Rule also includes a separate test to ensure that Financial Institutions that meet only the 25 Closed-End Mortgage Loan threshold are not required to report their Open-End Lines of Credit, and that Financial Institutions that meet only the 100 Open-End Line of Credit threshold are not required to report their Closed-End Mortgage Loans. 12 CFR 1003.3(c)(11) and (12). For more information, see Section 4.1.2.

3.3 Exempt institutions

Regulation C provides that financial institutions may apply for an exemption from coverage, and the 2015 HMDA Rule does not change this provision. Specifically, the Bureau may exempt a State-chartered or State-licensed Financial Institution if the Bureau determines that the Financial Institution is subject to a State disclosure law that contains requirements substantially similar to those imposed by Regulation C and adequate enforcement provisions. Any State-licensed or State-chartered Financial Institution or association of such institutions may apply to the Bureau for an exemption. An exempt institution shall submit the data required by State law to its State supervisory agency. 12 CFR 1003.3(a). A Financial Institution that loses its exemption must comply with Regulation C beginning with the calendar year following the year for which it last reported data under the State disclosure law. 12 CFR 1003.3(b).

4. Transactional coverage

A Financial Institution is required to collect, record, and report information only for transactions that are subject to Regulation C. Effective January 1, 2018, the 2015 HMDA Rule changes the types of transactions that are subject to Regulation C. This guide uses the capitalized term Covered Loan to refer to a loan or line of credit that is subject to Regulation C, effective January 1, 2018. As of that date, a Financial Institution is required to collect, record, and report information only for a transaction that involves a Covered Loan, such as the origination or purchase of a Covered Loan.

A Financial Institution can use Section 4.1 of this guide, below, for assistance in determining whether a transaction involves a Covered Loan. After a Financial Institution has determined that a transaction involves a Covered Loan, it can use Section 4.2 for assistance in determining whether it must report information related to the transaction.

4.1 Covered loans

A Covered Loan can be either a Closed-End Mortgage Loan or an Open-End Line of Credit (see Section 4.1.1), but an Excluded Transaction cannot be a Covered Loan (see Section 4.1.2). 12 CFR 1003.2(e).

To determine if a transaction is subject to amended Regulation C, effective January 1, 2018, a Financial Institution should first determine whether the loan or line of credit involved in the transaction is either a Closed-End Mortgage Loan or an Open-End Line of Credit. See Section 4.1.1. If the loan or line of credit is neither a Closed-End Mortgage Loan nor an Open-End Line of Credit, the transaction does not involve a Covered Loan, and the Financial Institution is not required to report the transaction. If the loan or line of credit is either a Closed-End Mortgage Loan or an Open-End Line of Credit, the Financial Institution must determine if the Closed-End Mortgage Loan or Open-End Line of Credit is an Excluded Transaction. See Section 4.1.2. If the

Closed-End Mortgage Loan or an Open-End Line of Credit is an Excluded Transaction, it is not a Covered Loan, and the Financial Institution is not required to report the transaction. If the loan or line of credit is a Closed-End Mortgage Loan or an Open-End Line of Credit and is not an Excluded Transaction, the Financial Institution may be required to report the transaction. See Section 4.2.

4.1.1 Closed-end mortgage loans and open-end lines of credit

A Closed-End Mortgage Loan is:

1. An extension of credit;
2. Secured by a lien on a Dwelling; and
3. Not an Open-End Line of Credit. 12 CFR 1003.2(d).

An Open-End Line of Credit is:

1. An extension of credit;
2. Secured by a lien on a Dwelling; and
3. An open-end credit plan for which:
 - a. The lender reasonably contemplates repeated transactions;
 - b. The lender may impose a finance charge from time-to-time on an outstanding unpaid balance; and
 - c. The amount of credit that may be extended to the borrower during the term of the plan (up to any limit set by the lender) is generally made available to the extent that any outstanding balance is repaid. 12 CFR 1003.2(o); 12 CFR 1026.2(a)(20).

Financial Institutions may rely on Regulation Z, 12 CFR 1026.2(a)(20),⁷ and its official commentary when determining whether a transaction is extended under a plan for which the lender reasonably contemplates repeated transactions, the lender may impose a finance charge from time-to-time on an outstanding unpaid balance, and the amount of credit that may be extended to the borrower during the term of the plan is generally made available to the extent that any outstanding balance is repaid.

A business-purpose transaction that is exempt from Regulation Z but is otherwise open-end credit under Regulation Z, 12 CFR 1026.2(a)(20), would be an Open-End Line of Credit under the 2015 HMDA Rule if it is an extension of credit secured by a lien on a Dwelling and is not an Excluded Transaction. Comment 2(o)-1.

4.1.1.1 Extension of credit

A closed-end loan or open-end line of credit is not a Closed-End Mortgage Loan or an Open-End Line of Credit under the 2015 HMDA Rule unless it involves an extension of credit. Some transactions completed pursuant to installment sales contracts, such as some land contracts, are not Closed-End Mortgage Loans because no credit is extended. For example, if a land contract provides that, upon default, the contract terminates, all previous payments will be treated as rent, and the borrower is under no obligation to make further payments, the transaction is not a Closed-End Mortgage Loan. Comment 2(d)-2. Individual draws on an Open-End Line of Credit are not separate extensions of credit. Comment 2(o)-2.

Under the 2015 HMDA Rule, an “extension of credit” generally requires a new debt obligation. Comment 2(d)-2. Thus, for example, a loan modification where the existing debt obligation is not satisfied and replaced is not generally a Covered Loan (*i.e.*, Closed-End Mortgage Loan or Open-End Line of Credit) under the 2015 HMDA Rule. Except as described below, if a 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 Covered Loan.

⁷ Regulation Z, 12 CFR part 1026, implements the Truth in Lending Act.

It is important to note that the 2015 HMDA Rule defines the phrase “extension of credit” differently than Regulation B, 12 CFR part 1002.⁸ Comment 2(d)-2 and 2(o)-2.

The 2015 HMDA Rule provides two narrow exceptions to the requirement that an “extension of credit” involve a new debt obligation. The exceptions are designed to capture transactions that the Bureau believes are substantially similar to new debt obligations and should be treated as such.

First, the 2015 HMDA Rule maintains Regulation C’s coverage of loan assumptions, even if no new debt obligation is created. A loan assumption is a transaction in which a Financial Institution enters into a written agreement accepting a new borrower in place of an existing borrower as the obligor on an existing debt obligation. The 2015 HMDA Rule clarifies that, under Regulation C, assumptions include successor-in-interest transactions in which an individual succeeds the prior owner as the property owner and then assumes the existing debt secured by the property. Assumptions are extensions of credit under the 2015 HMDA Rule even if the new borrower merely assumes the existing debt obligation and no new debt obligation is created. Comment 2(d)-2.i.

Second, the 2015 HMDA Rule provides that transactions completed pursuant to a New York State consolidation, extension, and modification agreement and classified as a supplemental mortgage under New York Tax Law Section 255, such that the borrower owes reduced or no mortgage recording taxes, is an extension of credit under the 2015 HMDA Rule. Comment 2(d)-2.ii.

4.1.1.2 Secured by a lien on a dwelling

A loan is not a Closed-End Mortgage Loan and a line of credit is not an Open-End Line of Credit unless it is secured by a lien on a Dwelling. A Dwelling is a residential structure. There is no requirement that the structure be attached to real property or that it be the applicant’s or borrower’s residence. Examples of Dwellings include:

1. Principal residences;

⁸ Regulation B, 12 CFR part 1002, implements the Equal Credit Opportunity Act.

2. Second homes and vacation homes;
3. Investment properties;
4. Residential structures attached to real property;
5. Detached residential structures;
6. Individual condominium and cooperative units;
7. Manufactured Homes⁹ or other factory-built homes; and
8. Multifamily residential structures or communities, such as apartment buildings, condominium complexes, cooperative buildings or complexes, and Manufactured Home communities. 12 CFR 1003.2(f); comments 2(f)-1 and -2.

A Dwelling is not limited to a structure that has four or fewer units and includes a Multifamily Dwelling, which is a Dwelling that includes five or more individual dwelling units. A Multifamily Dwelling includes a Manufactured Home community.

A loan related to a Manufactured Home community is secured by a Dwelling even if it is not secured by any individual Manufactured Homes, but is secured only by the land that constitutes the Manufactured Home community. However, a loan related to a multifamily residential structure or community other than a Manufactured Home community is not secured by a Dwelling unless it is secured by one or more individual dwelling units. For example, a loan that is secured only by the common areas of a condominium complex or only by an assignment of rents from an apartment building is not secured by a Dwelling. Comment 2(f)-2.

The following are not Dwellings:

⁹ A Manufactured Home is a residential structure that satisfies the definition of “manufactured home” in the U.S. Department of Housing and Urban Development’s (HUD’s) regulations, 24 CFR 3280.2, for establishing manufactured home construction and safety standards. 12 CFR 1003.2(l). A modular home or factory-built home that does not meet HUD’s regulations is not a Manufactured Home under the 2015 HMDA Rule. A Manufactured Home will generally bear a HUD Certification Label and data plate noting compliance with the Federal standards. Comment 2(l)-2.

1. Recreational vehicles, such as boats, campers, travel trailers, or park model recreational vehicles;
2. Houseboats, floating homes, or mobile homes constructed before June 15, 1976;
3. Transitory residences, such as hotels, hospitals, college dormitories, or recreational vehicle parks; and
4. Structures originally designed as a Dwelling but used exclusively for commercial purposes, such as a home converted to a daycare facility or professional office. Comment 2(f)-3.

A property that is used for both residential and commercial purposes, such as a building that has apartment and retail units, is a Dwelling if the property's primary use is residential. Comment 2(f)-4.

A property used for both long-term housing and to provide assisted living or supportive housing services is a Dwelling. However, transitory residences used to provide such services are not Dwellings. Properties used to provide medical care, such as skilled nursing, rehabilitation, or long-term medical care, are not Dwellings. If a property is used for long-term housing, to provide related services (such as assisted living) and to provide medical care, the property is a Dwelling if its primary use is residential. Comment 2(f)-5.

A Financial Institution may use any reasonable standard to determine a property's primary use, such as square footage, income generated, or number of beds or units allocated for each use. It may select the standard on a case-by-case basis. Comments 2(f)-4 and -5.

4.1.2 Excluded transactions

Regulation C does not apply to transactions that are specifically excluded from coverage. 12 CFR 1003.3(c). Therefore, an Excluded Transaction is not a Covered Loan. The 2015 HMDA Rule retains and clarifies existing categories of transactions that are excluded from coverage. It also expands the existing exclusion for agricultural loans, and adds new categories of transactions that excluded from coverage. Effective January 1, 2018, the following are Excluded Transactions:

1. A Closed-End Mortgage Loan or an Open-End Line of Credit that a Financial Institution originates or purchases in a fiduciary capacity, such as a Closed-End Mortgage Loan or an

Open-End Line of Credit that a Financial Institution originates or purchases as a trustee. 12 CFR 1003.3(c)(1); comment 3(c)(1).

2. A Closed-End Mortgage Loan or an Open-End Line of Credit secured by a lien on unimproved land. 12 CFR 1003.3(c)(2). Generally, a loan or line of credit must be secured by a Dwelling to be a Covered Loan. The 2015 HMDA Rule also lists Closed-End Mortgage Loans and Open-End Lines of Credit secured only by vacant or unimproved land as Excluded Transactions. However, a loan or line of credit secured by a lien on unimproved land is deemed to be secured by a Dwelling (and not might not be excluded) if the Financial Institution knows, based on information that it receives from the applicant or borrower at the time the Application is received or the credit decision is made, that the proceeds of that loan or credit line will be used within two years after closing or account opening to construct a Dwelling on, or to purchase a Dwelling to be placed on, the land. Comment 3(c)(2)-1.
3. A Closed-End Mortgage Loan or an Open-End Line of Credit that is temporary financing. A transaction is excluded as temporary financing if it is designed to be replaced by permanent financing at a later time. A loan or line of credit is not temporary financing merely because its term is short. 12 CFR 1003.3(c)(3); comment 3(c)(3)-1.

Examples

Ficus Bank extends a bridge or swing loan to finance a borrower's down payment for a home purchase. The borrower will pay off the bridge or swing loan with funds from the sale of his or her existing home and obtain permanent financing from Ficus Bank at that time. The bridge or swing loan is excluded as temporary financing.

Ficus Bank extends a construction loan to a borrower to finance construction of the borrower's Dwelling. The borrower will obtain a new extension of credit for permanent financing of the Dwelling. Ficus Bank renews the construction loan several times before the borrower obtains a new extension of credit from another lender for permanent financing. The construction loan is excluded as temporary financing.

Ficus Bank extends a construction loan to a borrower to finance construction of the borrower's Dwelling. The construction loan will automatically convert to permanent financing after the construction phase is complete. The construction loan is not temporary financing because it is not designed to be "replaced by" permanent financing.

Ficus Bank extends a nine-month loan to an investor, who uses the loan proceeds to purchase a home, renovate it, and sell it before the loan term expires. The loan is not temporary financing because it is not designed to be “replaced by” permanent financing.

4. The purchase of an interest in a pool of Closed-End Mortgage Loans or Open-End Lines of Credit, such as mortgage-participation certificates, mortgage-backed securities, or real estate mortgage investment conduits. 12 CFR 1003.3(c)(4); comment 3(c)(4)-1.
5. The purchase solely of the right to service Closed-End Mortgage Loans or Open-End Lines of Credit. 12 CFR 1003.3(c)(5).
6. The purchase of a Closed-End Mortgage Loan or an Open-End Line of Credit as part of a merger or acquisition or as part of the acquisition of all of a Branch Office’s assets and liabilities. 12 CFR 1003.3(c)(6); comment 3(c)(6)-1. For more information on mergers and acquisitions under the 2015 HMDA Rule, see Section 8.
7. A Closed-End Mortgage Loan or an Open-End Line of Credit, or an Application for a Closed-End Mortgage Loan or Open-End Line of Credit, for which the total dollar amount is less than \$500. 12 CFR 1003.3(c)(7).
8. The purchase of a partial interest in a Closed-End Mortgage Loan or an Open-End Line of Credit. 12 CFR 1003.3(c)(8); comment 3(c)(8)-1.
9. A Closed-End Mortgage Loan or an Open-End Line of Credit if the proceeds are used primarily for agricultural purposes or if the Closed-End Mortgage Loan or Open-End Line of Credit is secured by a Dwelling that is located on real property that is used primarily for agricultural purposes. 12 CFR 1003.3(c)(9); comment 3(c)(9)-1. The 2015 HMDA Rule directs Financial Institutions to Regulation Z’s official commentary for guidance on what is an agricultural purpose. Regulation Z’s official commentary states that agricultural purposes include planting, propagating, nurturing, harvesting, catching, storing, exhibiting, marketing, transporting, processing, or manufacturing food, beverages, flowers, trees, livestock, poultry, bees, wildlife, fish or shellfish by a natural person engaged in farming, fishing, or growing crops, flowers, trees, livestock, poultry, bees or wildlife. See comment 3(a)-8 in the official interpretations of Regulation Z, 12 CFR part 1026. A Financial Institution may use any reasonable standard to determine the primary use of the property, and may select the standard to apply on a case-by-case basis. Comment 3(c)(9)-1.

10. A Closed-End Mortgage Loan or an Open-End Line of Credit that is or will be made primarily for business or commercial purposes, unless it is a Home Improvement Loan, a Home Purchase Loan, or a Refinancing. 12 CFR 1003.3(c)(10). Not all transactions that are primarily for a business purpose are Excluded Transactions. Thus, a Financial Institution must collect, record, and report data for Dwelling-secured, business-purpose loans and lines of credit that are Home Improvement Loans, Home Purchase Loans, or Refinancings if no other exclusion applies. For more information on determining whether a loan or line of credit is a Home Purchase Loan, Home Improvement Loan, or Refinancing, see Section 5.7.

The 2015 HMDA Rule provides that, if a Closed-End Mortgage Loan or an Open-End Line of Credit is deemed to be primarily for a business, commercial, or organizational purposes under Regulation Z, 12 CFR 1026.3(a) and its official commentary, then the loan or line of credit also is deemed to be primarily for a business or commercial purpose under the 2015 HMDA Rule. Comment 3(c)(10)-2. For more information and examples of business-purpose or commercial-purpose transactions that are Covered Loans, see comment 3(c)(10)-3 and -4.

11. A Closed-End Mortgage Loan if the Financial Institution originated fewer than 25 Closed-End Mortgage Loans in each of the two preceding calendar years. 12 CFR 1003.3(c)(11); comment 3(c)(11)-1. A Financial Institution is not required to collect, record, or report Closed-End Mortgage Loans if it originated fewer than 25 of them in each of the two preceding calendar years. However, the Financial Institution will still be required to collect and report information regarding Open-End Lines of Credit if it originated at least 100 of them in each of the two preceding calendar years. For more information on how to determine if a Financial Institution “originated” a particular loan when multiple entities are involved in the transaction, see Section 4.2.3.

12. An Open-End Line of Credit if the Financial Institution originated fewer than 100 Open-End Lines of Credit in each of the two preceding calendar years. 12 CFR 1003.3(c)(12); comment 3(c)(12)-1. A Financial Institution is not required to collect, record, or report Open-End Lines of Credit if it originated fewer than 100 of them in each of the two preceding calendar years. However, the Financial Institution will still be required to collect and report information regarding Closed-End Mortgage Loans if it originated at least 25 of them in each of the two preceding calendar years. For more information on how to determine if a Financial Institution “originated” a particular line of credit when multiple entities are involved in the transaction, see Section 4.2.3.

4.2 Reportable activity

Once a Financial Institution has determined whether a transaction involves a Covered Loan, it must determine whether it has engaged in activity that obligates it to report information about the transaction. Generally, a Financial Institution is required to report information for actions taken on Applications (as that term is defined below) for Covered Loans, originations of Covered Loans, and purchases of Covered Loans. If a Financial Institution receives an Application and that Application results in the Financial Institution originating a Covered Loan, the Financial Institution reports the origination of the Covered Loan, and does not separately report the Application. For more information on when to report information regarding Applications and Covered Loans, see Sections 4.2.1 and 4.2.2. There are special rules that apply if multiple entities are involved in the transaction. These special rules are discussed in Section 4.2.3.

4.2.1 Applications

For purposes of the 2015 HMDA Rule, an Application is: (a) an oral or written request (b) for a Covered Loan (c) that is made in accordance with procedures the Financial Institution uses for the type of credit requested. 12 CFR 1003.2(b)(1).

This definition of Application is similar to the Regulation B definition, except that prequalification requests¹⁰ are not Applications under the 2015 HMDA Rule. Interpretations that appear in the official commentary to Regulation B are generally applicable to the definition of Application under the 2015 HMDA Rule, except for those interpretations that include a prequalification request within the definition of Application. Comment 2(b)-1.

Under the 2015 HMDA Rule, a request for a preapproval may be treated differently than a request for a prequalification for certain types of loans. The determination of whether a request

¹⁰ Generally, a prequalification request is a request (other than a preapproval request) by a prospective loan applicant for a preliminary determination of whether the prospective loan applicant would likely qualify for credit under the Financial Institution's standards, or for a determination of the amount of credit for which the prospective applicant would likely qualify. The 2015 HMDA Rule does not require a Financial Institution to report prequalification requests, even though these requests may constitute "applications" under Regulation B. Comment 2(b)-2.

is a prequalification request (which is not an Application) or a preapproval request (which might be an Application) is based on the 2015 HMDA Rule, not on the labels that an institution uses or interpretations of other regulations, such as Regulation B.

A preapproval request is an Application under the 2015 HMDA Rule if the request is:

1. For a Home Purchase Loan;
2. Not secured by a Multifamily Dwelling;
3. Not for an Open-end Line Credit or for a Reverse Mortgage;¹¹ and
4. Reviewed under a Preapproval Program (see definition of Preapproval Program immediately below). 12 CFR 1003.2(b)(2).

A Preapproval Program for purposes of the 2015 HMDA Rule is a program in which the Financial Institution:

1. Conducts a comprehensive analysis of the applicant's creditworthiness (including income verification), resources, and other matters typically reviewed as part of the Financial Institution's normal credit evaluation program; and then
2. Issues a written commitment that: (a) is for a Home Purchase Loan; (b) is valid for a designated period of time and up to a specified amount, and (c) is subject only to specifically permitted conditions. 12 CFR 1003.2(b)(2).

The written commitment issued as part of the Preapproval Program can be subject to only the following types of conditions:

1. Conditions that require the identification of a suitable property;
2. Conditions that require that no material change occur regarding the applicant's financial condition or creditworthiness prior to closing; and

¹¹ A Reverse Mortgage is a Closed-End Mortgage Loan or an Open-End Line of Credit that is a reverse mortgage transaction as defined in Regulation Z, but without regard to whether the loan or line is secured by a principal dwelling. 12 CFR 1003.2(q).

3. Limited conditions that (a) are not related to the applicant's financial condition or creditworthiness and (b) the Financial Institution ordinarily attaches to a traditional home mortgage application. Examples of conditions ordinarily attached to a traditional home mortgage application include requiring an acceptable title insurance binder or a certificate indicating clear termite inspection and, if 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. 12 CFR 1003.2(b)(2); comment 2(b)-3.

A program that a Financial Institution describes as a "preapproval program" but that does not satisfy the 2015 HMDA Rule definition is not a Preapproval Program for purposes of the HMDA Rule. Comment 2(b)-3.

If a Financial Institution does not regularly use procedures to consider requests but instead considers requests on an ad hoc basis, the Financial Institution is not required to treat the ad hoc requests as having been reviewed under a Preapproval Program. However, a Financial Institution should be generally consistent in following uniform procedures for considering such ad hoc requests. Comment 2(b)-3.

Under the 2015 HMDA Rule, a Financial Institution must collect, record, and report data regarding an Application it receives if: (1) the Application did not result in the Financial Institution originating a Covered Loan; and (2) the Financial Institution took action on the Application or the applicant withdrew the Application while the Financial Institution was reviewing it. For example, a Financial Institution reports information regarding an Application that it denied, that it approved but the applicant did not accept, or that it closed for incompleteness. 12 CFR 1003.4(a) and 1003.5(a); comment 4(a)-1. If the Application results in the Financial Institution originating a Covered Loan, the Financial Institution reports the Covered Loan, not the Application itself. For more information on reporting Applications when multiple entities are involved, see Section 4.2.3.

Although requests under Preapproval Programs are Applications, a Financial Institution reports data regarding a request under a Preapproval Program only if the preapproval request is denied or approved but not accepted. A Financial Institution will also report a request under a Preapproval Program that results in the Financial Institution originating a Home Purchase Loan, but it will be reported as an originated Covered Loan. Comment 4(a)-1.ii.

A Financial Institution reports the data for an Application, including a reportable preapproval request, on the LAR for the calendar year during which it takes action even if the Financial Institution received the Application in a previous calendar year. Comment 4(a)-1.iv.

4.2.2 Originations and purchases of covered loans

A Financial Institution must collect, record, and report information regarding originations and purchases of Covered Loans. For more information on when a Financial Institution reports the origination or purchase of a Covered Loan when multiple entities are involved, see Section 4.2.3.

A purchase includes a repurchase of a Covered Loan, regardless of whether the Financial Institution chose to repurchase the Covered Loan or was required to repurchase it because of a contractual obligation, and regardless of whether the repurchase occurred within the same calendar year that the Covered Loan was originated or in a different calendar year. Comment 4(a)-5.

A purchase does not include a temporary transfer of a Covered Loan to an interim funder or warehouse creditor as part of an interim funding agreement under which the Financial Institution that originated the Covered Loan is obligated to repurchase it for sale to a subsequent investor. Such funding agreements are often referred to as “repurchase agreements” and are sometimes used as the functional equivalents of warehouse lines of credit. Comment 4(a)-5.

4.2.3 Transactions involving multiple entities

Only one Financial Institution reports the origination of a Covered Loan. If more than one institution is involved in the origination of a Covered Loan, the institution that makes the credit decision approving the Application before loan closing or account opening is responsible for reporting the origination of the Covered Loan. It is not relevant whether the loan closed in the reporting Financial Institution’s name. If more than one institution approved an Application prior to loan closing or account opening and one of those institutions purchased the Covered Loan after closing or account opening, the institution that purchased the Covered Loan after closing or account opening is responsible for reporting the origination of the Covered Loan. Comment 4(a)-2.

If a Financial Institution reports a Covered Loan as an origination, it reports all of the information required to be reported for the origination of a Covered Loan, even if the Covered Loan was not initially payable to the Financial Institution that is reporting the Covered Loan as an origination. Comment 4(a)-2. When reporting a Covered Loan as an origination, a Financial Institution cannot rely on exceptions or exclusions that apply to purchased Covered Loans, but that do not apply to originations of Covered Loans.

If a Financial Institution and other parties review the same Application and the Financial Institution is not responsible for reporting the origination of the resulting Covered Loan, the Financial Institution reports the actions that the Financial Institution took on the Application. For example, the Financial Institution is still required to report the Application if the Financial Institution denied the Application or if the Financial Institution approved the Application but the applicant did not accept the loan. The Financial Institution is also required to report the Application if the Financial Institution was reviewing the Application when it was withdrawn or the file was closed for incompleteness. Comment 4(a)-2.ii.

If a Financial Institution makes a credit decision on a Covered Loan or Application through the actions of an agent, the Financial Institution reports the Application or Covered Loan. State law determines whether one party is the agent of another party. Comment 4(a)-4.

The following examples illustrate when a Financial Institution reports certain transactions related to Covered Loans involving multiple entities.

Examples

Ficus Bank receives an Application for a Covered Loan from an applicant and forwards that Application to Pine Bank, which reviews and approves the Application prior to closing. The loan closes in Ficus Bank's name. Pine Bank purchases the loan from Ficus Bank after closing. Pine Bank is not acting as Ficus Bank's agent when it reviews and approves the Application. Because Pine Bank made the credit decision prior to closing, Pine Bank reports the transaction as an originated Covered Loan, not as a purchased Covered Loan. Ficus Bank does not report the transaction.

Ficus Mortgage Company receives an Application for a Covered Loan from an applicant and forwards that Application to Pine Bank, which reviews and denies the Application before the

loan would have closed. Pine Bank is not acting as Ficus Mortgage Company's agent when it reviews and denies the Application. Because Pine Bank makes the credit decision, Pine Bank reports the Application as denied. Ficus Mortgage Company does not report the Application. If, under the same facts, the Application is withdrawn before Pine Bank makes a credit decision, Pine Bank reports the Application as withdrawn, and Ficus Mortgage Company does not report the Application.

Ficus Bank receives an Application for a Covered Loan from an applicant and approves the Application. Ficus Bank closes the loan in its name. Ficus Bank is not acting as Pine Bank's agent when it approves the Application or closes the loan. Pine Bank does not review the Application before closing. Pine Bank purchases the Covered Loan from Ficus Bank. Ficus Bank reports the loan as an originated Covered Loan. Pine Bank reports the loan as a purchased Covered Loan.

Pine Bank reviews an Application and makes a credit decision to approve a Covered Loan using the underwriting criteria provided by Ficus Mortgage Company. Pine Bank is not acting as Ficus Mortgage Company's agent, and no one acting on behalf of Ficus Mortgage Company reviews the Application or makes a credit decision prior to closing. Pine Bank reports the Application or, if the Application results in a Covered Loan, it reports the loan as an originated Covered Loan. If the Application results in a Covered Loan and Ficus Mortgage Company purchases it after closing, Ficus Mortgage Company reports the loan as a purchased Covered Loan.

Ficus Bank receives an Application for a Covered Loan and forwards it to Aspen Bank and Pine Bank. Ficus Bank makes a credit decision, acting as Elm Bank's agent, and approves the Application. Pine Bank makes a credit decision and denies the Application. Aspen Bank makes a credit decision approving the Application. The applicant does not accept the loan from Elm Bank. The applicant accepts the loan from Aspen Bank and credit is extended. Aspen Bank reports the loan as an originated Covered Loan. Pine Bank reports the Application as denied. Elm Bank reports the Application as approved but not accepted. Ficus Bank does not report the Application.

5. Reportable data

The 2015 HMDA Rule changes the data that must be collected, recorded, and reported for Covered Loans and Applications. Effective January 1, 2018, it modifies some existing data points and adds new data points. 12 CFR 1003.4.

A Financial Institution collects, records, and reports the new and modified data points under the 2015 HMDA Rule for Applications and Covered Loans on which final action is taken on or after January 1, 2018. If a Financial Institution receives an Application in 2017 but takes final action on it in 2018, it is required to collect, record, and report the new and modified data points under the 2015 HMDA Rule. A Financial Institution collects, records, and reports the new and modified data points, to the extent that they apply to purchased loans, for purchases of Covered Loans that occur on or after January 1, 2018.

This section describes the 2015 HMDA Rule's reportable data points and provides guidance on how to report them. Additional instructions for reporting data will be available at <http://www.consumerfinance.gov/hmda/>.

5.1 Applicant information

A Financial Institution must report information about ethnicity, race, and sex for applicants who are natural persons. Appendix B to Regulation C provides instructions on how to collect ethnicity, race, and sex information. The 2015 HMDA Rule modifies the requirements for collecting and reporting an applicant's ethnicity, race, and sex and requires that the applicant's age be collected and reported. Financial Institutions will continue to collect and report income.

The 2015 HMDA Rule amends the instructions in appendix B and provides a new sample data collection form.

5.1.1 Collection

The instructions in appendix B to the 2015 HMDA Rule require a Financial Institution:

1. To ask an applicant for ethnicity, race, and sex information regardless of whether the Application is taken in person, by mail, by telephone, or on the internet. A Financial Institution cannot require the applicant to provide this information.

When a Financial Institution requests ethnicity and race information from an applicant under the 2015 HMDA Rule, it must offer the applicant the option of selecting more than one ethnicity and race and must permit the applicant to self-identify using both aggregate categories and disaggregated subcategories. For example, when a Financial Institution requests the applicant's ethnicity, the aggregate Hispanic or Latino category must be broken down into disaggregated subcategories so that the applicant may choose to self-identify as Mexican, Puerto Rican, Cuban, or Other Hispanic or Latino. In some cases, the applicant must also be permitted to provide additional information. For example, if the applicant selects Other Hispanic or Latino, the applicant must be permitted to provide an ethnicity subcategory that is not provided on the collection form. Similarly, when a Financial Institution requests the applicant's race, the aggregate Asian category, for example, must be broken down into disaggregated subcategories so that the applicant may choose to self-identify as Asian Indian, Chinese, Filipino, Japanese, Korean, Vietnamese, or Other Asian. If the applicant selects Other Asian, the applicant must be permitted to provide a particular Asian race subcategory that is not provided on the collection form. Appendix B to Part 1003.

For an illustration of the information that a Financial Institution must ask about an applicant's ethnicity, race, and sex, see the sample data collection form in [Attachment A](#).

2. To inform the applicant that: (a) Federal law requires the information be collected in order to protect consumers and to monitor compliance with Federal statutes that prohibit discrimination against applicants; and (b) if the information is not provided where the Application is taken in person, the Financial Institution is required to note the information on the basis of visual observation or surname.
3. To collect the applicant's ethnicity, race, and sex based on visual observation or surname if the applicant chooses not to provide the information for an Application that is taken in person. Appendix B to Part 1003.

For an Application taken in person, there are special requirements if the applicant declines to provide the information regarding ethnicity, race, and sex. The Financial Institution must note that the applicant did not provide the information and then collect the applicant's ethnicity, race, and sex on the basis of visual observation or surname. When a Financial Institution collects an applicant's ethnicity, race, and sex on the basis of visual observation or surname, the Financial Institution must select from the following aggregate categories: ethnicity (Hispanic or Latino; not Hispanic or Latino); race (American Indian or Alaska Native; Asian; Black or African American; Native Hawaiian or Other Pacific Islander; White); sex (male; female). The Financial Institution does not use the disaggregated categories. Only an applicant may self-identify as being of a particular ethnic or racial subcategory.

If a Financial Institution accepts an Application through electronic media with a video component, it must treat the Application as taken in person. However, if a Financial Institution accepts an Application through electronic media without a video component, it must treat the Application as accepted by mail. Appendix B to Part 1003.

If the applicant (1) begins an Application by mail, internet, or telephone, (2) does not provide the requested information, (3) does not select "I do not wish to provide this information," and (4) meets with the Financial Institution in person to complete the Application, the Financial Institution must request the applicant's ethnicity, race, and sex when the Financial Institution meets with the applicant in person. If the applicant does not provide the requested information during the in-person meeting, the Financial Institution must collect the information on the basis of visual observation or surname. If the meeting occurs after the Application process is complete (*e.g.*, at loan closing or account opening), the Financial Institution is not required to obtain the applicant's ethnicity, race, and sex. Appendix B to Part 1003.

A Financial Institution may collect the required information regarding the ethnicity, race, and sex of an applicant on an Application form, or on a separate form that refers to the Application (sometimes called a collection form). For Applications taken by telephone, a Financial Institution must state the information in the collection form orally. Appendix B to Part 1003.

Because the 2015 HMDA Rule changes the information that must be included on an Application form or other collection form, Financial Institutions must revise their forms. A Financial Institution must use the revised collection or Application form for Applications received on or after January 1, 2018. For Applications received prior to January 1, 2018, the Financial Institution does not use the revised collection form, but collects applicant information using a collection form that complies with the Regulation C requirements in effect prior to January 1,

2018. The 2015 HMDA Rule provides a transition provision that allows a Financial Institution to report the applicant's ethnicity, race, and sex required under the Regulation C requirements in effect at the time that the Financial Institution collects the information, not when the Financial Institution takes final action on the Application. Comment 4(a)(10)(i)-2.

Example

Ficus Bank receives an Application on December 30, 2017. On the same day, it collects the applicant's ethnicity, race, and sex in accordance with the instructions in effect on December 30, 2017. Ficus Bank approves the Application on January 5, 2018, records the resulting Covered Loan on its LAR for 2018, and reports the resulting Covered Loan by March 1, 2019. Ficus Bank has complied with Regulation C, even though the instructions for the collection of ethnicity, race, and sex changed after the information was collected but before the date of final action. However, if Ficus Bank collects the applicant's ethnicity, race, and sex on January 2, 2018, Ficus Bank must collect the information in accordance with the amended instructions under the 2015 HMDA Rule.

For more information on collecting the applicant's ethnicity, race, and sex, see appendix B to the 2015 HMDA Rule.

5.1.2 Reporting

A Financial Institution reports the following information about an applicant:

1. **Ethnicity, race, and sex.** A Financial Institution must report the applicant's ethnicity, race, and sex. It must also report whether or not it collected this information on the basis of visual observation or surname. 12 CFR 1003.4(a)(10)(i).

If an applicant provided the requested information, a Financial Institution must report the ethnicity, race, and sex information that the applicant provided. If an applicant selected more than one ethnicity or race, a Financial Institution must report each designation the applicant selected, subject to the limits in appendix B described below.

For ethnicity, a Financial Institution must report each aggregate ethnicity category and each ethnicity subcategory the applicant selected. If an applicant selected the Other Hispanic or

Latino ethnicity subcategory, a Financial Institution must report that selection as well as the particular other Hispanic or Latino ethnicity if the applicant provided it.

For race, a Financial Institution must report every aggregate race category the applicant selected. If the applicant also selected one or more race subcategories, a Financial Institution must report each race subcategory the applicant selected, up to a combined total of five aggregate race categories and race subcategories. Appendix B to Part 1003.

Examples

An applicant selects all five aggregate race categories (*i.e.*, American Indian or Alaska Native, Asian, Black or African American, Native Hawaiian or Other Pacific Islander, and White) and also selects the Chinese race subcategory. Because a Financial Institution must report all of the aggregate race categories that an applicant selects and can only report a combined total of up to five aggregate race categories and race subcategories, Ficus Bank reports only the five aggregate race categories. It does not report the Chinese race subcategory.

An applicant selects the White, Asian, and Native Hawaiian or Other Pacific Islander aggregate race categories, and the Korean, Vietnamese, and Samoan race subcategories. The Financial Institution must report the White, Asian, and Native Hawaiian or Other Pacific Islander aggregate race categories. The Financial Institution also reports two of the three race subcategories. The Financial Institution chooses which two race subcategories to report (*i.e.*, Korean and Vietnamese, Korean and Samoan, or Vietnamese and Samoan).

If an applicant selected the Other Asian race subcategory or the Other Pacific Islander race subcategory, the applicant may have also provided a particular Other Asian or Other Pacific Islander race not listed in the standard subcategories. In either such case, a Financial Institution must report both the selection of Other Asian or Other Pacific Islander, as applicable, and the additional information the applicant provided, subject to the maximum of five. For purposes of the maximum of five reportable race categories and race subcategories, the Other race subcategory and additional information together constitute only one selection. Appendix B to Part 1003.

Example

An applicant selects the White, Asian, and Native Hawaiian or Other Pacific Islander aggregate race categories, as well as the Korean, Vietnamese, Samoan, and Other Asian race subcategories and writes in “Thai” in the space provided on the Application form. The Financial Institution reports two (at its option) of the four race subcategories selected by the applicant (*i.e.*, Korean, Vietnamese, Other Asian-Thai, Samoan) in addition to the three aggregate race categories selected by the applicant.

If an applicant selected “I do not wish to provide this information” on a collection or Application form taken by mail or on the internet or stated that he or she did not wish to provide the information for an Application that is taken by telephone, the Financial Institution reports that the information was not provided in a mail, internet, or telephone application.

If an applicant provided some but not all of the requested information, a Financial Institution reports the information provided by the applicant, whether partial or complete. If an applicant provided complete or partial information but also selected that he or she did not wish to provide the information for an Application that is taken by mail, internet, or telephone, a Financial Institution reports the ethnicity, race, and sex information that the applicant provided. Appendix B to Part 1003.

If there are multiple applicants (*i.e.*, an applicant and one or more co-applicants), the Financial Institution reports the ethnicity, race, and sex information for the applicant and the first co-applicant listed on the collection or Application form. If an applicant did not provide the information for an absent co-applicant, the Financial Institution reports that the information was not provided by applicant in mail, internet, or telephone Application for the absent co-applicant. If there is only one applicant, a Financial Institution reports that there is no co-applicant.

If a Covered Loan or Application includes a guarantor, a Financial Institution does not report the guarantor’s ethnicity, race, and sex. Appendix B to Part 1003.

A Financial Institution may, but is not required to, report an applicant’s ethnicity, race, and sex for purchased Covered Loans. If a Financial Institution chooses not to report the applicant’s ethnicity, race, and sex for a purchased Covered Loan, the Financial Institution reports that the data points are not applicable. Appendix B to Part 1003.

If an applicant is not a natural person (*e.g.*, a corporation, partnership, or trust), a Financial Institution reports that the requirement to report ethnicity, race, and sex information is not

applicable. However, if an applicant is a natural person and a beneficiary of a trust (for example, the natural person might be relying on income from or collateral owned by a trust), the Financial Institution reports the applicant's ethnicity, race, and sex information. Appendix B to Part 1003.

For more information on reporting an applicant's ethnicity, race, and sex, see appendix B to the 2015 HMDA Rule.

2. **Age.** A Financial Institution reports the applicant's age (as of the Application date) as the number of whole years derived from the date of birth shown on the Application form. 12 CFR 1003.4(a)(10)(ii); comment 4(a)(10)(ii)-1.

Example

An applicant provides a date of birth of 01/15/1970 on the Application form that Ficus Bank receives on 01/14/2018. Ficus Bank reports 47 as the applicant's age.

If there are multiple applicants, the Financial Institution reports the age for the applicant and the first co-applicant listed on the Application form. If a Covered Loan or Application includes a guarantor, a Financial Institution does not report the guarantor's age. Comments 4(a)(10)(ii)-2 and -5.

A Financial Institution may, but is not required to, report the age of an applicant for purchased Covered Loans. If a Financial Institution chooses not to report the applicant's age for a purchased Covered Loan, the Financial Institution reports that the data point is not applicable. 12 CFR 1003.4(b)(2); comment 4(a)(10)(ii)-3.

If an applicant is not a natural person (*e.g.*, a corporation, partnership, or trust), a financial institution reports that the data point is not applicable. Comment 4(a)(10)(ii)-4. However, if an applicant is a natural person and a beneficiary of a trust (for example, the natural person might be relying on income from or collateral owned by a trust), the Financial Institution reports the applicant's age.

3. **Income.** If a Financial Institution considers income in making its credit decision, it reports the gross annual income that it relied on in making the credit decision. 12 CFR 1003.4(a)(10)(iii). For Applications that are withdrawn or closed for incompleteness before the Financial Institution makes a credit decision that would have taken income into consideration, the Financial Institution reports the income information relied on in

processing the Application at the time that the Application was withdrawn or the file was closed for incompleteness. 12 CFR 1003.4(a)(10)(iii); comment 4(a)(10)(iii)-5.

If a Financial Institution relies on only a portion of an applicant's income in its determination, it reports only the portion of income relied on. Comment 4(a)(10)(iii)-1. If a Financial Institution relies on the income of a co-applicant or cosigner to evaluate creditworthiness, the Financial Institution includes the co-applicant's or cosigner's income to the extent relied upon. Comments (a)(10)(iii)-1 and -2. A Financial Institution, however, does not include the income of a guarantor who is only secondarily liable. Comment 4(a)(10)(iii)-1. Reportable income does not include funds or amounts in addition to income, such as funds derived from annuitization or depletion of an applicant's assets, even if the Financial Institution relied on them when making the credit decision. Comment 4(a)(10)(iii)-4.

A Financial Institution may, but is not required to, report an applicant's income for purchased Covered Loans. A Financial Institution reports that the data point is not applicable if it chooses not to report the applicant's income. Comment 4(a)(10)(iii)-9.

A Financial Institution reports that the income data point is not applicable:

- a. For a Covered Loan to or an Application from a Financial Institution's own employee, even though the Financial Institution relied on the employee's income in making its credit decision;
- b. For a Covered Loan that is secured by or an Application that was proposed to be secured by a Multifamily Dwelling;
- c. If the applicant or co-applicant, if applicable, is not a natural person (*e.g.*, a corporation, partnership, or trust); or
- d. If the Financial Institution did not consider or would not have considered income in making the credit decision. 12 CFR 1003.4(a)(10)(iii); comments 4(a)(10)(iii)-3, -6, -7, and -8.

5.2 Universal loan identifier (ULI)

A Financial Institution must report a universal loan identifier (ULI) for a Covered Loan or Application. The ULI:

1. Is a number that a Financial Institution assigns to the Covered Loan or Application. 12 CFR 1003.4(a)(1)(i).
2. Must begin with the Financial Institution's Legal Entity Identifier (LEI),¹² followed by up to 23 additional letters and/or numbers that the Financial Institution assigns, and end with a two-character check digit.¹³ 12 CFR 1003.4(a)(1)(i)(A)-(C). Essentially, the ULI is the Financial Institution's LEI plus a loan or application number plus the two-character check digit (in that order).
3. Cannot include information that could be used to identify the applicant or borrower directly, such as the applicant's or borrower's name, date of birth, Social Security number, official government-issued driver's license or identification number, alien registration number, government passport number, or employer or taxpayer identification number. Comment 4(a)(1)(i)-2.
4. Must be unique within the Financial Institution and must be used for only one Covered Loan or Application. Comment 4(a)(1)(i)-1.

To ensure compliance, a Financial Institution must:

1. Ensure that its branches do not use the same ULI to refer to multiple Covered Loans or Applications.
2. Assign a new ULI to a Refinancing or Application for Refinancing (*i.e.*, not use the ULI from the loan that is being refinanced).
3. For a purchased Covered Loan, use the ULI that was assigned to the Covered Loan by a Financial Institution that previously reported the Covered Loan. 12 CFR 1003.4(a)(1)(i)(D).

¹² The LEI is a unique, 20-digit alphanumeric identifier issued by a utility endorsed by the LEI Regulatory Oversight Committee or endorsed or otherwise governed by the Global LEI Foundation or a successor organization. A Financial Institution can go to the Global LEI Foundation website, <https://www.gleif.org/services/loi-services/issue-new-lei>, to obtain an LEI.

¹³ The two-character check digit is used to validate the ULI. It is calculated using certain standards published by the International Organization for Standardization (www.iso.org). For more information on the two-character check digit, including the methodology for generating a check digit, see appendix C to the 2015 HMDA Rule.

If the Financial Institution that originated the Covered Loan did not assign a ULI, the Financial Institution that purchases the Covered Loan must assign a ULI.

A Financial Institution may use a previously reported ULI if an applicant asks the Financial Institution: (a) to reinstate a counteroffer that the applicant did not accept earlier in the same calendar year; or (b) to reconsider an Application that was denied, withdrawn, or closed for incompleteness earlier during the same calendar year. However, a Financial Institution must not use a ULI previously reported if it reinstates or reconsiders an Application that was reported in a prior calendar year. 12 CFR 1003.4(a)(1)(i)(E); comment 4(a)(1)(i)-4.

5.3 Application date

Except for a purchased Covered Loan, a Financial Institution reports the Application date, which is reported as either the date that the Application was received or the date on the Application form. 12 CFR 1003.4(a)(1)(ii). Although a Financial Institution need not choose the same approach for reporting Application date for its entire HMDA submission, it should be generally consistent, such as by routinely using one approach within a particular division of the Financial Institution or for a category of loans. Comment 4(a)(1)(ii)-1.

If a Financial Institution chooses to report the date shown on the Application form and the Financial Institution retains multiple versions of the form, the Financial Institution reports the date shown on the first form it received that constitutes an Application under the 2015 HMDA Rule. Comment 4(a)(1)(ii)-1.

For an Application that was not submitted directly to the Financial Institution, the Financial Institution may report the date the Application was received by the party that initially received the Application, the date the Application was received by the Financial Institution, or the date shown on the Application form. Comment 4(a)(1)(ii)-2.

If, within the same calendar year, an applicant asks a Financial Institution to reinstate a counteroffer that the applicant previously did not accept (or asks the Financial Institution to reconsider an Application that was denied, withdrawn, or closed for incompleteness), the reportable Application date depends on whether the Financial Institution reports the request as the continuation of the earlier transaction using the earlier transaction's ULI or as a new transaction with a new ULI. If the Financial Institution treats the request for reinstatement or

reconsideration as a new transaction, it reports the date of the request as the Application date. If the Financial Institution does not treat the request for reinstatement or reconsideration as a new transaction, it reports the original Application date. Comment 4(a)(1)(ii)-3.

For a purchased Covered Loan, a Financial Institution reports that this data point is not applicable. 12 CFR 1003.4(a)(1)(ii).

5.4 Application channel

Except for purchased Covered Loans, a Financial Institution reports both of the following:

1. **Whether or not the applicant or borrower submitted the Application directly to the Financial Institution.** 12 CFR 1003.4(a)(33)(i). For example, the Application was submitted directly to the Financial Institution if the mortgage loan originator identified in the data point required by 12 CFR 1003.4(a)(34) and discussed in Section 5.30 was the reporting Financial Institution's employee when the originator performed the origination activities for the Covered Loan or Application. The Application was also submitted directly to the Financial Institution if the Financial Institution directed the applicant to a third-party agent (*e.g.*, a credit union service organization) that performed loan origination activities on behalf of the reporting Financial Institution and the third-party agent did not assist the applicant with applying for Covered Loans with other institutions. Comment 4(a)(33)(i)-1.

If an applicant contacted and completed an Application with a broker or correspondent that forwarded the Application to the Financial Institution for approval, the Application was not submitted directly to the Financial Institution. Comment 4(a)(33)(i)-1.iii.

2. **Whether or not the obligation arising from the Covered Loan or Application was or would have been initially payable to the Financial Institution.** 12 CFR 1003.4(a)(33)(ii). An obligation was initially payable to the Financial Institution if the obligation was initially payable on the face of the note or contract to the Financial Institution that is reporting the Covered Loan or Application. Comment 4(a)(33)(ii)-1. For an Application that is withdrawn, denied, or closed for incompleteness, a Financial Institution reports that the requirement is not applicable if the Financial Institution had not determined, at the time it took final action on the Application, whether the loan would be initially payable to the Financial Institution. Comment 4(a)(33)(ii)-2.

For purchased Covered Loans, a Financial Institution reports that this data point is not applicable. 12 CFR 1003.4(a)(33).

5.5 Preapproval request

A Financial Institution reports whether or not the Application or Covered Loan involved a preapproval request for a Home Purchase Loan under a Preapproval Program.

12 CFR 1003.4(a)(4). For all of the following, a Financial Institution reports that the Application or Covered Loan did not involve a preapproval request: a purchased Covered Loan; an Open-End Line of Credit or Application for an Open-End Line of Credit; a Reverse Mortgage or an Application for a Reverse Mortgage; an Application for a Covered Loan that is denied; an Application that is closed for incompleteness or withdrawn; an Application or Covered Loan for any purpose other than Home Purchase Loan; and for a Covered Loan secured by a Multifamily Dwelling. Comment 4(a)(4)-2.

5.6 Loan type

A Financial Institution reports whether the Covered Loan is or the Application was for a Covered Loan that would have been:

1. Insured by the Federal Housing Administration;
2. Guaranteed by the Veterans Administration;
3. Guaranteed by the Rural Housing Service or the Farm Service Agency; or
4. Not insured or guaranteed by any of these Federal agencies (*i.e.*, conventional).
12 CFR 1003.4(a)(2).

5.7 Loan purpose

A Financial Institution records and reports the Covered Loan's or Application's purpose, 12 CFR 1003.4(a)(3), using one of the following:

1. **Home Purchase Loan.** A Home Purchase Loan is a Closed-End Mortgage Loan or Open-End Line of Credit that is for the purpose, in whole or part, of purchasing a Dwelling.
12 CFR 1003.2(j). A Home Purchase Loan includes: (a) a Closed-End Mortgage Loan or Open-End Line of Credit secured by one Dwelling and used to purchase another Dwelling;

(b) a combined construction-to-permanent loan that is secured by a Dwelling; (c) a permanent loan that replaces a construction loan if the permanent loan is secured by a Dwelling; and (d) a Dwelling-secured subordinate mortgage loan that finances some or all of the home purchaser's down payment. Comments 2(j)-1, -3, and -4.

An assumption is a Home Purchase Loan when: (a) the assumption is a Closed-End Mortgage or Open-End Line of Credit; (b) the Financial Institution enters into a written agreement accepting a new borrower as the obligor on an existing obligation; and (c) the purpose is to finance the new borrower's purchase of the Dwelling securing the existing obligation. An assumption is not a Home Purchase Loan if the new borrower assumes the existing borrower's obligation after acquiring title to the Dwelling securing the existing obligation because the purpose is not to finance the new borrower's purchase of the Dwelling. The assumption would be reported using a loan purpose other than Home Purchase Loan. Comment 2(j)-5.

Example

Borrower A obtains title to Owner A's Dwelling after assuming Owner A's existing debt obligation. Borrower A's transaction is a Home Purchase Loan. In contrast, Borrower B obtains title to Owner B's Dwelling in Year 1 and in Year 2 assumes Owner B's existing debt obligation. Borrower B's transaction is not a Home Purchase Loan.

2. **Home Improvement Loan.** A Home Improvement Loan is a Closed-End Mortgage Loan or Open-End Line of Credit that is for the purpose, in whole or part, of repairing, rehabilitating, remodeling, or improving a Dwelling or the real property on which the Dwelling is located. 12 CFR 1003.2(i). For example, a Home Improvement Loan includes: (a) a Covered Loan if any of the proceeds are used for repair, rehabilitation, remodeling, or improvement of the Dwelling or the real property on which the Dwelling securing the Covered Loan is located, even if the remainder is used for totally unrelated purposes, such as college tuition; (b) a Covered Loan used to install a swimming pool, construct a garage, or improve landscaping on the real property on which the Dwelling securing the Covered Loan is located; and (c) a Covered Loan used to improve a mixed-use Dwelling if the proceeds are used either to improve the entire property (e.g., to replace a heating system that services the entire structure) or primarily to improve the residential portion of the Dwelling. Comments 2(i)-1, -2, and -4.
3. **Refinancing.** A Refinancing is a Closed-End Mortgage Loan or Open-End Line of Credit in which a new Dwelling-secured debt obligation satisfies and replaces an existing Dwelling-

secured debt obligation by the same borrower. 12 CFR 1003.2(p). Generally, whether the new debt obligation satisfies and replaces an existing obligation is determined by reference to the parties' contract and applicable law. In order for a Covered Loan to be a Refinancing, both the new and existing transactions must be secured by a Dwelling. Only one borrower need be the same on the new and existing transactions. Comments 2(p)-1, -3, and -4.

4. **Cash-out Refinancing.** A Financial Institution reports a Covered Loan or an Application as a cash-out Refinancing if it is a Refinancing and the Financial Institution considered it to be a cash-out Refinancing when processing the Application or setting the terms under its or an investor's guidelines. For example, if a Financial Institution considers a loan product to be a cash-out Refinancing under an investor's guidelines because of the amount of cash received by the borrower at closing or account opening, it reports the transaction as a cash-out Refinancing. If a Financial Institution does not distinguish between a cash-out Refinancing and a Refinancing under its own guidelines, sets the terms of all Refinancings without regard to the amount of cash received by the borrower at loan closing or account opening, and does not offer loan products under investor guidelines, it reports all Refinancings as Refinancings, not cash-out Refinancings. Comment 4(a)(3)-2.
5. **Other.** If a Covered Loan is not, or an Application is not for, a Home Purchase Loan, a Home Improvement Loan, a Refinancing, or a cash-out Refinancing, a Financial Institution reports the purpose as "other." For example, if a Covered Loan is for the purpose of paying educational expenses, the Financial Institution reports the purpose as "other." A Financial Institution also uses "other" if the Covered Loan is or the Application is for a Refinancing but, under the terms of the existing credit agreement, the Financial Institution was unconditionally obligated to refinance the obligation subject to conditions within the borrower's control. Comment 4(a)(3)-4.

The following chart illustrates the reportable purpose for multiple-purpose Covered Loans. See also comment 4(a)(3)-3.

Multiple Purposes	Reportable Purpose
Home Purchase Loan and Home Improvement Loan	Home Purchase Loan
Home Purchase Loan and Refinancing	Home Purchase Loan
Home Purchase Loan and cash-out Refinancing	Home Purchase Loan
Home Purchase Loan and other	Home Purchase Loan
Home Improvement Loan and Refinancing	Refinancing
Home Improvement Loan and cash-out Refinancing	Cash-out Refinancing
Refinancing and other	Refinancing
Cash-out Refinancing and other	Cash-out Refinancing
Home Improvement Loan and other	Home Improvement Loan

A Financial Institution may rely on an applicant’s oral or written statement regarding the proposed use of the loan proceeds. For example, a Financial Institution could use a check box or a purpose line on an Application form. If an applicant provides no statement as to the proposed use of the proceeds, and the Covered Loan is not a Home Purchase Loan, cash-out Refinancing, or Refinancing, a Financial Institution reports the Covered Loan as for an “other” purpose. Comment 4(a)(3)-1.

5.8 Loan amount

A Financial Institution must report the loan amount for the Covered Loan or Application. 12 CFR 1003.4(a)(7). The first chart below provides information on determining the loan amount that is reported for Covered Loans. The second chart below provides information on determining the reportable loan amount for transactions that involve multiple purposes, counteroffers, and Applications that do not result in the Financial Institution originating a Covered Loan.

If the Covered Loan is a:	The reportable loan amount is the:
Closed-End Mortgage Loan other than a purchased Closed-End Mortgage Loan, assumption, or a Reverse Mortgage	Amount to be repaid as disclosed on the legal obligation. 12 CFR 1003.4(a)(7)(i); comment 4(a)(7)-5.
Purchased Closed-End Mortgage Loan or assumption of a Closed-End Mortgage Loan	Unpaid principal balance at the time of purchase or assumption. 12 CFR 1003.4(a)(7)(i); comment 4(a)(7)-5.
Open-End Line of Credit (including a purchased Open-End Line of Credit and assumption of an Open-End Line of Credit) other than a Reverse Mortgage	Amount of credit available to borrower under the terms of plan. 12 CFR 1003.4(a)(7)(ii); comment 4(a)(7)-6.
Reverse Mortgage	Initial principal limit (as determined pursuant to section 255 of the National Housing Act and implementing regulations and mortgagee letters issued by HUD). 12 CFR 1003.4(a)(7)(iii); comment 4(a)(7)-9.
Refinancing	Loan amount for new debt obligation based on the type of Covered Loan (see above). Comment 4(a)(7)-7.

If the transaction involves:	Report the:
A counteroffer that is accepted for an amount that is different from the amount for which the applicant applied	Loan amount granted for the Covered Loan. Comment 4(a)(7)-1.
A counteroffer for an amount different from the amount for which the applicant applied, and the applicant did not accept or failed to respond	Amount for which applicant applied. Comment 4(a)(7)-1.
An approved but not accepted Application (including an approved but not accepted preapproval request)	Approved loan amount. Comment 4(a)(7)-2.

Application (including a preapproval request) that was denied, closed for incompleteness, or withdrawn

Amount initially requested. Comment 4(a)(7)-3.

Loan proceeds that will be used for more than one purpose

Entire loan amount for the Covered Loan, even if only a portion of the proceeds is intended for the reported purpose. Comment 4(a)(7)-4.

5.9 Loan term

A Financial Institution reports the loan term as the scheduled number of months after which the legal obligation will mature or terminate or would have matured or terminated.

12 CFR 1003.4(a)(25). If a Covered Loan or Application includes a schedule with repayment periods measured in a unit of time other than months, the Financial Institution reports the loan term in months using an equivalent number of whole months without regard for any remainder. Comment 4(a)(25)-2.

For a fully amortizing Covered Loan, the number of months after which the legal obligation matures is the number of months in the amortization schedule, ending with the final payment. Covered Loans that do not fully amortize during the maturity term, such as Covered Loans with a balloon payment, are reported using the maturity term rather than the amortization term. Comment 4(a)(25)-1.

For a purchased Covered Loan, a Financial Institution reports the number of months after which the legal obligation matures as measured from the Covered Loan's origination. Comment 4(a)(25)-3.

For an Open-End Line of Credit with a definite term, a Financial Institution reports the number of months from account opening until the account termination date, including both the draw and repayment period (if any). Comment 4(a)(25)-4.

For a Covered Loan or Application without a definite term, such as a Reverse Mortgage, a Financial Institution reports that the data point is not applicable. Comment 4(a)(25)-5.

5.10 Action taken and date

A Financial Institution reports its action taken and the date of its action. 12 CFR 1003.4(a)(8). The action taken is reported as one of the following: (1) loan originated; (2) application approved but not accepted; (3) application denied; (4) application withdrawn; (5) file closed for incompleteness; (6) loan purchased; (7) preapproval request denied; or (8) preapproval request approved but not accepted. Comment 4(a)(8)(i).

The Action Taken chart in [Attachment B](#) provides additional information on how to determine the reportable action taken and date of action taken. See also Comment 4(a)(8)(i) and 4(a)(8)(ii).

5.11 Reason for denial

For an Application that it denied, a Financial Institution must report the principal reasons (up to four) that it denied the Application. 12 CFR 1003.4(a)(16); comment 4(a)(16)-1. For all other transactions, a Financial Institution reports that the data point is not applicable. Comment 4(a)(16)-4.

If a Financial Institution provided the reason or reasons it denied the Application using the model form contained in appendix C to Regulation B (Form C-1, Sample Notice of Action Taken and Statement of Reasons) or a similar form, the Financial Institution reports the reason or reasons specified on that form, including reporting the “Other” reason or reasons that were specified on the form, if applicable. If a Financial Institution provided a disclosure of the applicant’s right to a statement of specific reasons using the model form contained in appendix C to Regulation B (Form C-5, Sample Disclosure of Right to Request Specific Reasons for Credit Denial) or a similar form, or provided the denial reasons orally under Regulation B, the Financial Institution reports the principal reasons it denied the Application. Comment 4(a)(16)-3.

The Financial Institution reports only the principal reason or reasons it denied the Application, even if there are fewer than four reasons. For example, if a Financial Institution denied the Application because of the applicant’s credit history and debt-to-income ratio, the Financial Institution only reports these two principal reasons. The reason or reasons reported must be

specific and accurately describe the principal reason or reasons the Financial Institution denied the Application. Comment 4(a)(16)-1.

If a Financial Institution denied a preapproval request under a Preapproval Program, the Financial Institution must report the principal reason or reasons (up to four) that it denied the preapproval request. Comment 4(a)(16)-2.

5.12 Property address and location

A Financial Institution reports the following information about the location of the property securing the Covered Loan or, for an Application, proposed to secure the Covered Loan:

1. **Property address.** 12 CFR 1003.4(a)(9)(i). For Applications that did not result in an origination, the address corresponds to the location of the property proposed to secure the loan as identified by the applicant. For Covered Loans, the address corresponds to the property identified in the legal obligation. Comment 4(a)(9)(i)-1.
2. **Location of the property by state, county, and census tract.** The Financial Institution is required to report the location by state, county, and census tract only if the property is located in an MSA or metropolitan division (MD)¹⁴ in which the Financial Institution has a home or Branch Office or if the Financial Institution is a bank or savings association required to report data on small business, small farm, and community development lending under the Community Reinvestment Act. A Financial Institution must include the census tract if the property is located in a county with a population of more than 30,000 according to the most recent decennial census.
12 CFR 1003.4(a)(9)(ii). See also 12 CFR 1003.4(e).

If a Covered Loan is related to more than one property, but only one property secures or, for an Application, would have secured the Covered Loan, a Financial Institution reports the property address and location of the property that secures or would have secured the Covered Loan. A

¹⁴ Metropolitan divisions (MDs) are metropolitan divisions of MSAs as defined by the OMB. 12 CFR 1003.2(m)(2). For more information on MDs and MSAs, see <https://www.ffiec.gov/census/default.aspx> and <https://www.ffiec.gov/geocode/help1.aspx>.

Financial Institution does not report the property address or location for any properties that do not secure or would not have secured the Covered Loan. Comment 4(a)(9)-1.

If more than one property secures the Covered Loan or, in the case of an Application, would have secured the Covered Loan, a Financial Institution reports the Covered Loan or Application in a single entry on its LAR and provides the property address and location for only one property. The Financial Institution can choose the property for which it reports this information, but it must choose a property that secures the Covered Loan (or, in the case of an Application, would have secured the Covered Loan) and that includes a Dwelling. If a single Multifamily Dwelling has more than one postal address, a Financial Institution reports one of the postal addresses. Comments 4(a)(9)-2 and -3.

If other data points require the Financial Institution to report specific information about property securing or involved with a Covered Loan or Application, the Financial Institution reports the information that relates to the property for which it has provided the address and location for these data points. Comment 4(a)(9)-2. For purposes of this guide, the property for which the Financial Institution has provided the address and location for these data points is called the Identified Property.

If the site for a Manufactured Home has not been identified, a Financial Institution may report that the data points for the property location are not applicable. Comment 4(a)(9)-5. If the property address of the property securing the Covered Loan is unknown, a Financial Institution reports that the data point for the property address is not applicable. Comment 4(a)(9)(i)-3.

5.13 Construction method

A Financial Institution reports the construction method for the Identified Property, using one of the following:

1. Site-built; or
2. Manufactured Home. 12 CFR 1003.4(a)(5).

A residential structure that satisfies the definition of “manufactured home” under HUD’s regulations, 24 CFR 3280.2, is reported as a Manufactured Home. 12 CFR 1003.2(l). A

Manufactured Home will generally bear a HUD Certification Label and data plate noting compliance with the Federal standards. Comment 2(l)-2.

Modular homes and factory-built homes that do not meet the definition of “manufactured home” in HUD’s regulations are not Manufactured Homes under the 2015 HMDA Rule and are reported as site-built, regardless of whether they are on-frame or off-frame modular homes. Modular homes comply with local or other recognized buildings codes rather than standards established by the National Manufactured Housing Construction and Safety Standards Act, 42 U.S.C. 5401 *et seq.* Modular homes are not required to have HUD Certification Labels under 24 CFR 3280.11 or data plates under 24 CFR 3280.5, but may have a certification from a State licensing agency that documents compliance with State or other applicable building codes. Dwellings built using prefabricated components assembled at the Dwelling’s permanent site should also be reported as site-built. Comment 4(a)(5)-1.

For a Multifamily Dwelling, the Financial Institution should report the construction method as site-built unless the Multifamily Dwelling is a Manufactured Home community, in which case the Financial Institution should report the construction method as Manufactured Home. Comment 4(a)(5)-2.

5.14 Occupancy type

A Financial Institution reports the occupancy type for the Identified Property, using one of the following:

1. **Principal residence.** An applicant or borrower can have only one principal residence at a time. However, if an applicant or borrower buys or builds a new Dwelling that will become the applicant’s or borrower’s principal residence within a year or upon the completion of construction, the new Dwelling is considered the principal residence for this data point. Comment 4(a)(6)-2. For purchased Covered Loans, a Financial Institution may report the occupancy type as “principal residence” unless the loan documents or Application indicate that the property will not be occupied as a principal residence. Comment 4(a)(6)-5.
2. **Second residence.** A property is a second residence if the property is or will be occupied by the applicant or borrower for a portion of the year and is not the applicant’s or borrower’s principal residence. For example, if a person purchases a property, occupies the property for a portion of the year, and rents the property for the remainder of the year, the property is a

second residence. Similarly, if a person occupies a property near his or her place of employment on weekdays, but the person returns to his or her principal residence on weekends, the property near the person's place of employment is a second residence. Comment 4(a)(6)-3.

- 3. Investment property.** A property is an investment property if the applicant or borrower does not occupy the property. For example, if a person purchases a property, does not occupy the property, and generates income by renting the property, the property is an investment property. Similarly, if a person purchases a property, does not occupy the property, and does not generate income by renting the property, but intends to generate income by selling the property, the property is an investment property. Comment 4(a)(6)-4.

If a corporation purchases a property that is a Dwelling and uses it for the long-term residence of its employees, the property is an investment property, even if the corporation considers the property as owned for business purposes rather than investment purposes, does not generate income by renting the property, and does not intend to generate income by selling the property. If the property is for transitory use by employees, the property would not be considered a Dwelling. Comment 4(a)(6)-4.

5.15 Lien status

A Financial Institution reports the lien status of the lien on the Identified Property as either a first lien or a subordinate lien. 12 CFR 1003.4(a)(14).

The 2015 HMDA Rule requires a Financial Institution to report the lien status for Covered Loans it purchased. For purchased Covered Loans, lien status is determined by reference to the best information readily available to the Financial Institution at the time of purchase.

For Applications and originations of Covered Loans, lien status is determined by reference to the best information readily available to the Financial Institution at the time final action is taken and to the Financial Institution's own procedures. When reporting lien status, Financial Institutions may rely on title searches they routinely obtain, but the 2015 HMDA Rule does not require Financial Institutions to obtain title searches solely to comply with Regulation C. Financial Institutions 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 form or the applicant's credit report. Comment 4(a)(14)-1.

Examples

An applicant applies for a Covered Loan from Ficus Bank and indicates on the Application form that there is a mortgage on the Dwelling that will secure the applicant's Covered Loan. Ficus Bank obtains the applicant's credit report, and it shows that the applicant has a mortgage loan. The existing mortgage will not be paid off as part of the transaction. Ficus Bank may assume that the transaction involves a subordinate lien for purposes of HMDA reporting.

An applicant applies for a loan from Ficus Bank to refinance the applicant's existing home mortgage loan. The existing loan is and the new loan will be secured by the applicant's principal residence. The applicant also has an Open-End Line of Credit for \$20,000 secured by the principal residence. Ficus Bank'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 lien securing the Open-End Line of Credit. Ficus Bank may assume that the transaction involves a first lien for purposes of HMDA reporting.

5.16 Manufactured home information

If a Dwelling on the Identified Property is a Manufactured Home and not a Multifamily Dwelling (*i.e.*, it has four or fewer individual dwelling units), the Financial Institution must report both:

1. **Secured Property Type.** Whether the Covered Loan is or the Application would have been secured by: (a) both a Manufactured Home and land; or (b) a Manufactured Home and not land. 12 CFR 1003.4(a)(29). A Financial Institution reports that a Covered Loan is or would have been secured only by a Manufactured Home and not land if the Covered Loan is not secured by the land, even if the Manufactured Home is considered real property under applicable State law. Comment 4(a)(29)-1.
2. **Land Property Interest.** Information about the applicant's or borrower's property interest in the land on which the Manufactured Home is or would have been located, reported as one of the following:
 - a. **Direct ownership.** An applicant or borrower has a direct ownership interest in the land on which the Dwelling is or is to be located when it has more than a possessory real

property ownership interest in the land, such as fee simple ownership. Comment 4(a)(30)-5.

- b. **Indirect ownership.** Indirect land ownership can occur when the applicant or borrower is or will be a member of a resident-owned community structured as a housing cooperative in which the occupants own an entity that holds the land underlying the Manufactured Home community. In such communities, the applicant or borrower may still have a lease and pay rent for the lot on which his or her Manufactured Home is or will be located, but the property interest type for such an arrangement should be reported as indirect ownership if the applicant is or will be a member of the cooperative that owns the Manufactured Home community's underlying land. If an applicant resides or will reside in such a community but is not a member, the property interest type should be reported as a paid leasehold. Comment 4(a)(30)-1.
- c. **Paid Leasehold.** For example, a paid leasehold occurs when a borrower locates the Manufactured Home on a lot in which the borrower does not have an ownership interest, the borrower has a written lease for the lot, and the lease specifies rent payments. Comment 4(a)(30)-2.
- d. **Unpaid Leasehold.** For example, an unpaid leasehold occurs when the borrower locates the Manufactured Home on land owned by a family member, does not have a written lease, and does not have an agreement regarding rent payments. Comment 4(a)(30)-2.

If the Dwelling securing the Covered Loan (or that would have secured the resulting Covered Loan in the case of an Application) is not a Manufactured Home, the Financial Institution reports that these data points are not applicable. Comments 4(a)(29)-4 and 4(a)(30)-6. A Manufactured Home community that is a Multifamily Dwelling is not considered a Manufactured Home for purposes of reporting these data points. Comment 4(a)(29)-2 and 4(a)(30)-4.

5.17 Property value

For a Covered Loan, a Financial Institution reports the value of the property securing the Covered Loan. For an Application that did not result in a Covered Loan (other than an Application that was withdrawn before a credit decision was made or that was closed for incompleteness), a Financial Institution reports the value of the property proposed to secure the

Covered Loan. 12 CFR 1003.4(a)(28). If an Application was withdrawn before a credit decision was made or was closed for incompleteness, the Financial Institution reports that the data point is not applicable, even if the Financial Institution obtained a property value. Comment 4(a)(28)-3.

A Financial Institution reports the property value it relied on in making its credit decision. 12 CFR 1003.4(a)(28). If the Financial Institution relied on an appraisal or other valuation of a property when calculating the loan-to-value ratio, it reports the value stated in the appraisal or other valuation on which it relied. If the Financial Institution relied on the purchase price of a property when calculating the loan-to-value ratio, it reports the purchase price as the property value. Comment 4(a)(28)-1.

Example

Ficus Bank obtains an appraisal that values a parcel of property at \$100,000, an automated valuation model report that values the property at \$110,000, and a broker price opinion that values the property at \$105,000. When approving the Application, Ficus Bank relies on the appraisal. It reports the property value as \$100,000.

The 2015 HMDA Rule does not require a Financial Institution to obtain a property valuation or to rely on a property value in making a credit decision. A Financial Institution reports that this data point is not applicable if it does not rely on property value when making the credit decision. Comment 4(a)(28)-4.

5.18 Total units

For a Covered Loan, a Financial Institution reports the number of individual Dwelling units related to the property securing the Covered Loan. For an Application, it reports the number of individual Dwelling units related to the property proposed to secure the Covered Loan. 12 CFR 1003.4(a)(31).

For an Application or Covered Loan secured by a Manufactured Home community, the Financial Institution should include the total number of Manufactured Home sites that secure the loan and are available for occupancy, regardless of whether the sites are occupied or have

Manufactured Homes attached. For a loan secured by a single Manufactured Home that is or will be located in a Manufactured Home community, the Financial Institution should report one individual Dwelling unit. Comment 4(a)(31)-2.

For a Covered Loan secured by a condominium or cooperative complex, the Financial Institution reports the total number of individual Dwelling units securing the Covered Loan or proposed to secure the Covered Loan in the case of an Application. Comment 4(a)(31)-3.

A Financial Institution may include recreational vehicle pads, manager apartments, rental apartments, site-built homes, or other rentable space that are ancillary to the operation of the secured property if it considers such units under its underwriting guidelines or investor guidelines, or if it tracks the number of such units for its own internal purposes. Comment 4(a)(31)-2.

A Financial Institution may rely on the best information readily available to it at the time action is taken and on the Financial Institution's own procedures. Information readily available could include, for example, information provided by an applicant that the Financial Institution reasonably believes, information contained in a property valuation or inspection, or information obtained from public records. Comment 4(a)(31)-4.

5.19 Multifamily affordable units

If the property securing a Covered Loan or proposed to secure an Application includes a Multifamily Dwelling, the Financial Institution must provide the number of individual Dwelling units that are income-restricted pursuant to Federal, State, or local affordable housing

programs.¹⁵ 12 CFR 1003.4(a)(32). For a Covered Loan that is not secured by a Multifamily Dwelling and for an Application that would not have been secured by a Multifamily Dwelling, the Financial Institution reports that this data point is not applicable. Comment 4(a)(32)-6.

Affordable housing income-restricted units are individual Dwelling units that have restrictions based on the occupants' income level pursuant to restrictive covenants encumbering the property. The restrictive covenants may be evidenced by a use agreement, regulatory agreement, land use restrictions, or a similar agreement. Rent control or rent stabilization laws, the acceptance of Housing Choice Vouchers, and other similar forms of portable housing assistance that are tied to an occupant and not an individual dwelling unit are not affordable housing income-restricted Dwelling units for purposes of reporting. Comment 4(a)(32)-1.

A Financial Institution may rely on the best information readily available to it at the time final action is taken and on the Financial Institution's own procedures when reporting. Information readily available could include, for example, information provided by an applicant that the Financial Institution reasonably believes, information contained in a property valuation or inspection, or information obtained from public records. Comment 4(a)(32)-5.

¹⁵ Examples of Federal programs and funding sources that may result in reportable units include but are not limited to: (1) affordable housing programs pursuant to Section 8 of the United States Housing Act of 1937; (2) public housing; (3) the HOME Investment Partnerships program; (4) the Community Development Block Grant program; (5) multifamily tax subsidy project funding through tax-exempt bonds or tax credits; (6) Federal Home Loan Bank affordable housing program funding; (7) Rural Housing Service multifamily housing loans and grants; and (8) project-based vouchers under 24 CFR part 983. Comment 4(a)(32)-2.

Examples of State and local sources that may result in reportable units include but are not limited to: (1) State or local administration of Federal funds or programs; (2) State or local funding programs for affordable housing or rental assistance, including programs operated by independent public authorities; (3) inclusionary zoning laws; and (4) tax abatement or tax increment financing contingent on affordable housing requirements. Comment 4(a)(32)-3.

5.20 Debt-to-income ratio

Except for purchased Covered Loans, if the Financial Institution relied on the applicant's or borrower's DTI ratio when making its credit decision, the Financial Institution reports the DTI ratio on which it relied in making the credit decision. 12 CFR 1003.4(a)(23). The DTI ratio is the ratio of the applicant's or borrower's total monthly debt to total monthly income.

Example

Ficus Bank calculates the applicant's DTI ratio twice—once according to its own requirements and once according to an investor's requirements. Ficus Bank relies on the DTI ratio calculated according to the investor's requirements when it makes the credit decision. Ficus Bank reports the DTI ratio calculated in accordance with the investor's requirements. Comment 4(a)(23)-1.

A Financial Institution relied on the applicant's or borrower's DTI ratio in making the credit decision if the DTI ratio was a factor in the credit decision, even if it was not a dispositive factor. For example, if the DTI ratio was one of multiple factors in a Financial Institution's credit decision, the Financial Institution relied on the DTI ratio, even if the Financial Institution denied the Application because one or more underwriting requirements other than the DTI ratio were not satisfied. Comment 4(a)(23)- 2.

The 2015 HMDA Rule does not require a Financial Institution to calculate a DTI ratio and does not require a Financial Institution to rely on an applicant's or borrower's DTI ratio in making a credit decision. Comment 4(a)(23)-4.

A Financial Institution reports that this data point is not applicable:

1. If it made a credit decision without relying on a DTI ratio;
2. If the Application file was closed for incompleteness (even if a DTI ratio was calculated);
3. For an Application that was withdrawn before a credit decision was made (even if a DTI ratio was calculated);
4. If the applicant and co-applicant, if applicable, are not natural persons;

5. For a Covered Loan that is secured, or an Application that is proposed to be secured, by a Multifamily Dwelling;
6. For a purchased Covered Loan. Comments 4(a)(23)-3 through -7.

5.21 Combined loan-to-value

Except for a purchased Covered Loan, if the Financial Institution relied on a CLTV ratio when making its credit decision, the Financial Institution reports the CLTV ratio on which it relied. The CLTV ratio is the ratio of the total amount of debt secured by the property securing the Covered Loan (or, for an Application, proposed to secure a Covered Loan) to the value of that property. 12 CFR 1003.4(a)(24).

Example

Ficus Bank reviews an Application that will be secured by two parcels of real property. It calculates the CLTV ratio using its own requirements. It also calculates the CLTV ratio using an investor's requirements. When making its credit decision, Ficus Bank relies on the CLTV ratio calculated according to the investor's requirements. Ficus Bank reports the CLTV ratio calculated according to the investor's requirements.

A Financial Institution relied on the CLTV ratio when making the credit decision if the CLTV ratio was a factor in the credit decision, even if it was not a dispositive factor. For example, if the CLTV ratio was one of multiple factors in a Financial Institution's credit decision, the Financial Institution relied on the CLTV ratio, even if the Financial Institution denied the Application because one or more underwriting requirements other than the CLTV ratio were not satisfied. Comments 4(a)(24)-1 and -2.

The 2015 HMDA Rule does not require a Financial Institution to calculate the CLTV ratio and does not require a Financial Institution to rely on a CLTV ratio in making a credit decision. Comment 4(a)(24)-4.

A Financial Institution reports that this data point is not applicable:

1. If it did not rely on a CLTV when making the credit decision;
2. If the Application file was closed for incompleteness (even if a CLTV ratio was calculated);
3. For an Application that was withdrawn before a credit decision was made (even if a CLTV ratio was calculated); or
4. For a purchased Covered Loan. Comments 4(a)(23)-3 through -5.

5.22 Credit score information

Except for purchased Covered Loans, a Financial Institution reports the credit score or scores it relied on in making the credit decision and the name and version of the scoring model used to generate each reported credit score. 12 CFR 1003.4(a)(15)(i).

The term “credit score” has the same meaning as set forth in the Fair Credit Reporting Act, 15 USC 1681g(f)(2)(A). 12 CFR 1003.4(a)(15)(ii). A “credit score” is a numerical value or a categorization derived from a statistical tool or modeling system used by a person who makes or arranges a loan to predict the likelihood of certain credit behaviors, including default. A “credit score” does not include: (1) any mortgage score or rating of an automated underwriting system that considers one or more factors in addition to credit information, including loan-to-value ratio, the amount of down payment, or the consumer’s financial assets; or (2) any other elements of the underwriting process or underwriting decision. 15 USC 1681g(f)(2)(A).

A Financial Institution relied on a credit score in making the credit decision if the credit score was a factor in the credit decision, even if it was not a dispositive factor. For example, if a credit score was one of multiple factors in a Financial Institution’s credit decision, the Financial Institution relied on the credit score even if the Financial Institution denied the Application because one or more underwriting requirements other than the credit score were not satisfied. Comment 4(a)(15)-1.

When a Financial Institution obtained or created two or more credit scores for a single applicant or borrower but relied on only one score in making the credit decision (*e.g.*, by relying on the lowest, highest, most recent, or average of all of the scores), the Financial Institution reports the credit score it actually used. When a Financial Institution relied on multiple scores for the applicant or borrower (*e.g.*, by relying on a scoring grid that considers each of the scores

obtained or created for the applicant or borrower without combining the scores into a composite score), the Financial Institution must report one of the credit scores that it relied on in making the credit decision. In choosing which credit score to report, a Financial Institution need not use the same approach for its entire HMDA data submission, but it should be generally consistent (*e.g.*, by routinely using one approach within a particular division of the Financial Institution or for a category of Covered Loans). The Financial Institution reports the name and version of the credit-scoring model for the score reported. Comment 4(a)(15)-2.

If a transaction involved more than one applicant and the Financial Institution relied on a single credit score in making the credit decision, the Financial Institution reports that credit score for either the applicant or the first co-applicant. If a transaction involved more than one applicant and a Financial Institution relied on separate credit scores for each applicant, it reports the credit score it relied on for the applicant and the credit score it relied on for the first co-applicant. Comment 4(a)(15)-3.

A Financial Institution reports that the credit score data point is not applicable:

1. For purchased Covered Loans;
2. If the Financial Institution did not rely on a credit score;
3. If the Application file was closed for incompleteness (even if a credit score was obtained or created);
4. If an Application was withdrawn before a credit decision was made (even if a credit score was obtained or created); or
5. If the applicant and co-applicant, if applicable, are not natural persons. Comments 4(a)(15)-4 through -7.

5.23 Automated underwriting system information

Except for purchased Covered Loans, a Financial Institution reports the name of the Automated Underwriting System (AUS), as defined below, that it used to evaluate the Application and the AUS result generated by that AUS. 12 CFR 1003.4(a)(35)(i). A Financial Institution must report

this information only if the Financial Institution used an AUS to evaluate the Application. Comment 4(a)(35)-4.

For purposes of the 2015 HMDA Rule, an Automated Underwriting System or AUS is an electronic tool:

1. Developed by a securitizer, Federal government insurer, or Federal government guarantor;
2. That provides a result regarding both (a) the applicant's credit risk; and (b) whether the loan is eligible to be originated, purchased, insured, or guaranteed by that securitizer, Federal government insurer, or Federal government guarantor.
12 CFR 1003.4(a)(35)(ii).

In order for a system to be an AUS, the system must provide a result regarding both the credit risk of the applicant and the eligibility of the loan to be originated, purchased, insured, or guaranteed by the securitizer, Federal government insurer, or Federal government guarantor that developed the system being used to evaluate the Application. For example, if a system is an electronic tool that provides a determination of the loan's eligibility to be purchased, but the system does not also provide an assessment of the applicant's creditworthiness—such as an evaluation of the applicant's income, debt, and credit history—the system is not an AUS.

Comment 4(a)(35)-2.

If a Financial Institution has developed its own proprietary system that it uses to evaluate an Application and the Financial Institution is also a securitizer, the system may be an AUS if it also meets the other elements of the AUS definition. On the other hand, if a Financial Institution has developed its own proprietary system that it uses to evaluate an Application but the Financial Institution is not a securitizer, the system is not an AUS. Comment 4(a)(35)-2.

A Financial Institution that used an AUS to evaluate an Application must report the name of the AUS it used to evaluate the Application and the result generated by that system regardless of whether the Financial Institution intends to sell or hold the Covered Loan in its portfolio. For example, if a Financial Institution used an AUS developed by a securitizer to evaluate an Application but ultimately did not sell the Covered Loan and instead holds the Covered Loan in its portfolio, the Financial Institution reports the name of the AUS that the Financial Institution used to evaluate the Application and the result generated by that system. Comments 4(a)(35)-1.i and ii.

If a Financial Institution used more than one AUS to evaluate an Application or if a Financial Institution used one AUS to evaluate an Application but it generated multiple results, the Financial Institution must determine which AUS or AUSs and which result or results to report. To do so, the Financial Institution can use the following steps in the exact order they are presented below.

1. The Financial Institution must determine whether an AUS that it used to evaluate the Application matches the loan type it reported for the Application or Covered Loan. For more information on reporting loan type, see Section 5.6.
2. If the Financial Institution used an AUS that matches loan type (such as Total Scorecard for an FHA loan), it must determine whether it obtained only one result from that AUS. If the Financial Institution obtained only one result from the AUS that matches loan type, the Financial Institution reports the AUS that matches loan type and the result that it obtained from that AUS.
3. If the Financial Institution did not use an AUS that matches loan type or if it obtained more than one result from the AUS that matches loan type, the Financial Institution must determine whether an AUS that it used to evaluate the Application matches the purchaser, insurer, or guarantor (if any) for the Covered Loan.
4. If the Financial Institution used an AUS that matches the purchaser, insurer, or guarantor (such as Desktop Underwriter for a Covered Loan that Fannie Mae purchased), it must determine whether it obtained only one result from that AUS. If the Financial Institution obtained only one result from the AUS that matches the purchaser, insurer, or guarantor, the Financial Institution reports the AUS that matches and the result that it obtained from that AUS.
5. If the Financial Institution did not use an AUS that matches the purchaser, insurer, or guarantor or it obtained multiple results from an AUS that matches the purchaser, insurer, or guarantor or loan type, the Financial Institution reports the result it obtained closest in time to the credit decision and the AUS that generated that result, unless the Financial Institution obtained multiple results closest in time to the credit decision. For example, a Financial Institution obtains multiple results closest in time to the credit decision if it obtains two results at noon on the day immediately before it makes the credit decision and does not obtain any results at a later time.
6. If the Financial Institution simultaneously obtains multiple results closest in time to the credit decision, the Financial Institution reports each of the multiple AUS results that it obtained and the AUSs that generated each of those results up to a total of five results and

five AUSs. The Financial Institution will never report more than five results or five AUSs. If the Financial Institution used more than five AUSs or it obtained more than five results, the Financial Institution chooses five AUSs and five results to report. Comment 4(a)(35)-3.

The 2015 HMDA Rule does not require a Financial Institution to use an AUS when evaluating an Application. Comment 4(a)(35)-4. A Financial Institution reports that the AUS data point is not applicable:

1. If it does not use an AUS to evaluate the Application;
2. When the applicant and co-applicant, if applicable, are not natural persons; or
3. For purchased Covered Loans. Comments 4(a)(35)-4 through -6.

5.24 Interest rate

A Financial Institution reports the interest rate applicable to a Covered Loan or to an Application that is approved but not accepted. 12 CFR 1003.4(a)(21). For Applications that are denied, withdrawn or closed for incompleteness, a Financial Institution reports that no interest rate was applicable. Comment 4(a)(21)-2.

For an:	Report:
Application approved but not accepted for fixed rate Covered Loan subject to Regulation Z's Loan Estimate and Closing Disclosure requirements	Rate stated in Loan Estimate (if no Closing Disclosure provided) or in Closing Disclosure (if provided), assuming it accurately reflects the rate when Financial Institution approved the Application. Otherwise, rate at the time Financial Institution approved the Application. Comment 4(a)(21)-2.
Application approved but not accepted for a fixed rate Covered Loan not subject to Regulation Z's Loan Estimate and Closing Disclosure requirements	Rate applicable when Financial Institution approved the Application. Comment 4(a)(21)-2.

For an:	Report:
<p>Application approved but not accepted for a variable-rate Covered Loan subject to Regulation Z's Loan Estimate and Closing Disclosure requirements</p>	<p>Rate stated in Loan Estimate (if no Closing Disclosure provided) or in Closing Disclosure (if provided), assuming it accurately reflects the rate when Financial Institution approved the Application. Comment 4(a)(21)-2.</p> <p>Otherwise, if rate was known when Financial Institution approved the Application, the rate applicable when Financial Institution approved the Application. Comment 4(a)(21)-2.</p> <p>Otherwise, if rate was unknown when Financial Institution approved the Application, the fully-indexed rate based on the index applicable when the Financial Institution approved the Application. Comment 4(a)(21)-3.</p>
<p>Application approved but not accepted for a variable-rate Covered Loan not subject to Regulation Z's Loan Estimate and Closing Disclosure requirements</p>	<p>If rate was known when Financial Institution approved the Application, the rate applicable when Financial Institution approved the Application. Comment 4(a)(21)-2.</p> <p>If rate was unknown when Financial Institution approved the Application, the fully-indexed rate based on the index applicable when the Financial Institution approved the Application. Comment 4(a)(21)-3.</p>
<p>Application denied, withdrawn, or closed for incompleteness</p>	<p>Not applicable. Comment 4(a)(21)-2.</p>
<p>Fixed-rate Covered Loan subject to Regulation Z's Loan Estimate and Closing Disclosure requirements</p>	<p>Interest rate set forth in Closing Disclosure. Comment 4(a)(21)-1.</p>
<p>Fixed-rate Covered Loan not subject to Regulation Z's Loan Estimate and Closing Disclosure requirements</p>	<p>Interest rate applicable at loan closing or account opening. Comment 4(a)(21)-1.</p>
<p>Variable-rate Covered Loan subject to Regulation Z's Loan Estimate and Closing Disclosure requirements</p>	<p>Interest rate set forth in Closing Disclosure. Comment 4(a)(21)-1.</p>

For an:	Report:
Variable-rate Covered Loan not subject to Regulation Z's Loan Estimate and Closing Disclosure requirements	<p>If rate was known when Financial Institution closed loan or opened account, rate applicable at loan closing or account opening. Comment 4(a)(21)-1.</p> <p>If rate was unknown when Financial Institution closed loan or opened account, the fully-indexed rate based on the index applicable to the Covered Loan at loan closing or account opening. Comment 4(a)(21)-3.</p>

5.25 Introductory rate period

For a Covered Loan, a Financial Institution reports the introductory rate period as the number of months from loan closing or account opening until the first date the interest rate may change. 12 CFR 1003.4(a)(26). For example, if an Open-End Line of Credit contains an introductory or “teaser” interest rate for two months after the date of account opening and the interest rate may adjust after that two month period, the Financial Institution reports the number of months as “2.” Comment 4(a)(26)-1.

For an Application, a Financial Institution reports the number of months from loan closing or account opening until the first date the interest rate could have changed under the proposed terms. Comment 4(a)(26)-1.

A Financial Institution reports the number of months based on when the first interest rate adjustment may occur, even if an interest rate adjustment is not required to occur at that time and even if the rates that will apply, or the periods for which they will apply, are not known at loan closing or account opening. For example, if a Closed-End Mortgage Loan has a 30-year term and is an adjustable-rate product with an introductory interest rate for the first 60 months, after which the interest rate is permitted but not required to vary, the Financial Institution reports the number of months as “60.” Comment 4(a)(26)-1.

A Financial Institution is not required to report introductory interest rate periods based on preferred rates unless the terms of the legal obligation provide that the preferred rate will expire at a certain defined date. Preferred rates include loan terms that provide that the initial underlying rate is fixed but that it may increase or decrease upon the occurrence of some future

event, such as an employee leaving the employ of the Financial Institution, the borrower closing an existing deposit account with the Financial Institution, or the borrower revoking an election to make automated payments. Comment 4(a)(26)-2.

A Financial Institution reports that this data point is not applicable for a fixed rate Covered Loan or an Application for a fixed rate Covered Loan. Comment 4(a)(26)-3.

5.26 Rate spread

For Covered Loans subject to Regulation Z, other than purchased Covered Loans, Reverse Mortgages, and assumptions, a Financial Institution reports the difference between the Covered Loan's annual percentage rate (APR) and a comparable transaction's average prime offer rate (APOR) as of the date the Covered Loan's interest rate was set. 12 CFR 1003.4(a)(12)(i).

If the Covered Loan is an assumption, Reverse Mortgage, a purchased Covered Loan, or is not subject to Regulation Z, the Financial Institution reports that the data point is not applicable. If an Application does not result in the Financial Institution originating a Covered Loan for a reason other than that the Application was approved but not accepted by the applicant, the Financial Institution reports that the data point is not applicable. Comment 4(a)(12)-7. In the case of an Application (including a preapproval request) that the Financial Institution approved but that the applicant did not accept, a Financial Institution must report the difference between the APR of the Covered Loan that would have resulted had the applicant accepted it and a comparable transaction's APOR as of the date the interest rate was set. Comment 4(a)(12)-8.

The APOR is an APR that is derived from average interest rates, points, and other loan pricing terms currently offered to consumers by a representative sample of creditors for mortgage loans that have low-risk pricing characteristics. 12 CFR 1003.4(a)(12)(ii). APORs for a broad range of transactions are published on the FFIEC's website at <http://www.ffiec.gov/hmda>. The APORs, which are updated at least weekly, are in tables titled "Average Prime Offer Rates-Fixed" and "Average Prime Offer Rates-Adjustable." The methodology used to arrive at these APORs is also published on the FFIEC's website. A Financial Institution may either use the APORs published on the FFIEC's website or determine APORs itself by employing the methodology published on the FFIEC's website. A Financial Institution that determines APORs itself, however, is responsible for correctly determining them in accordance with the published methodology. Comment 4(a)(12)-2.

To determine the reportable rate spread, a Financial Institution can follow these steps:

1. Determine the Covered Loan's APR

A Financial Institution may rely on the APR disclosed for the Covered Loan, if it is calculated and disclosed pursuant to Regulation Z (12 CFR 1026.18 or 1026.38 for a Closed-End Mortgage Loan or 12 CFR 1026.40 for an Open-End Line of Credit). Comment 4(a)(12)-3.

2. Determine the APOR

a. Determine the Comparable Transaction

The rate spread is calculated using the APOR for a comparable transaction. Therefore, a Financial Institution must determine what transaction is comparable to the Covered Loan. To do so, the Financial Institution uses the Covered Loan's amortization type (*i.e.*, fixed-rate or variable-rate) and loan term. For Open-End Lines of Credit, a Financial Institution must identify the most closely comparable closed-end transaction. Comment 4(a)(12)-4.

For fixed-rate Covered Loans, the term for identifying the comparable transaction is the transaction's maturity (*i.e.*, the period until the last payment will be due under the Closed-End Mortgage Loan contract or Open-End Line of Credit agreement). If an Open-End Line of Credit has a fixed rate but no definite plan length, a Financial Institution can use a 30-year fixed-rate loan as the most closely comparable closed-end transaction. Financial Institutions may refer to the "Average Prime Offer Rates-Fixed" table on the FFIEC website when identifying a comparable fixed-rate transaction. Comment 4(a)(12)-4.i.

For variable-rate Covered Loans, the term for identifying the comparable transaction is the initial, fixed-rate period (*i.e.*, the period until the first scheduled rate adjustment). For example, five years is the relevant term for a variable-rate transaction with a five-year, fixed-rate introductory period that is amortized over thirty years. If an Open-End Line of Credit has a variable rate and an optional, fixed-rate feature, a Financial Institution uses the rate table for variable-rate transactions. Comment 4(a)(12)-4.ii.

When a Covered Loan's term to maturity (or, for a variable-rate transaction, the initial fixed-rate period) is not in whole years, the Financial Institution uses the number of whole years closest to the actual loan term (or the initial fixed-rate period). If the actual loan term (or the initial fixed-rate period) is exactly halfway between two whole years,

the Financial Institution uses the shorter loan term. The Financial Institution rounds to one year any Covered Loan with a term shorter than six months, including a variable-rate Covered Loan with no initial, fixed-rate period. Comment 4(a)(12)-4.iii.

Term to Maturity or Initial Fixed-Rate Period	Term for Comparable Transaction
10 years, 3 months	10 years
10 years, 9 months	11 years
10 years, 6 months	10 years
10 years, 6 months, 18 days	11 years
3 months	1 year

If the amortization period of a Covered Loan is longer than the transaction’s term to maturity, a Financial Institution must use the term to maturity to determine the applicable APOR. Comment 4(a)(12)-4.iv.

b. Determine the Rate Set Date

The date used to determine the APOR for a comparable transaction is the date on which the Financial Institution set the Covered Loan’s interest rate for the final time before loan closing or account opening. Comment 4(a)(12)-5.

If the:	The date used for APOR is the:
Rate was set pursuant to a lock agreement	Date that the agreement fixed the interest rate
Lock agreement was extended, but the rate was not re-set	Date the Financial Institution exercised its discretion in setting the rate for final time before loan closing or account opening
Rate was re-set after the lock agreement was executed, and there was no program change	Date that the Financial Institution exercised its discretion in setting the rate for final time before loan closing or account opening

Rate was re-set after the lock agreement was executed, and there was a program change

Date of the program change, unless the Financial Institution changed the promised rate to the rate that would have been available to the borrower under the new program on the date of the original rate-lock, and the Financial Institution consistently follows that practice or the original lock agreement required that the new program's rate as of the original rate-lock would be available. In that case, the date of the original rate-lock.

Applicant or borrower did not execute a lock agreement

Date on which the Financial Institution set the rate for final time before loan closing or account opening

Example

Borrower locks a rate of 2.5 percent on June 1 for a 30-year, variable-rate loan with a 5-year, fixed-rate introductory period. On June 15, the borrower decides to switch to a 30-year, fixed-rate loan, and the rate available to the borrower for that product on June 15 is 4.0 percent. On June 1, the 30-year, fixed-rate loan would have been available to the borrower at a rate of 3.5 percent. Ficus Bank offers the borrower the 3.5 percent rate (*i.e.*, the rate that would have been available to the borrower for the fixed-rate product on June 1, the date of the original rate-lock) because the original agreement so provided or because Ficus Bank consistently follows that practice for borrowers who change loan programs. Ficus Bank should use June 1 as the rate-set date. If the original agreement does not require Ficus Bank to offer 3.5 percent or if Ficus Bank does not consistently follow the practice for borrower who change loan programs, Ficus Bank should use June 15 as the rate-set date.

If a Financial Institution received an Application from a broker and is responsible for reporting the approved but not accepted Application or resulting Covered Loan, (*e.g.*, because the Financial Institution originated the loan), the rate-set date is the last date the Financial Institution set the rate with the broker, not the date the broker set the borrower's rate. Comment 4(a)(12)-5.

c. Determine the Most Recently Available APOR as of Rate Set Date

A Financial Institution must compare the Covered Loan's APR to the most recently available APOR that was in effect for the comparable transaction as of the rate-set date. The most recently available rate means the APOR set forth in the applicable table with the most recent effective date as of the date the interest rate was set. A Financial Institution cannot use an APOR before its effective date. Comment 4(a)(12)-6.

3. Determine the Rate Spread

A Financial Institution compares the APOR determined in step 2c, above, to the APR determined in step 1 above. Comment 4(a)(12)-6.

5.27 Contractual features

A Financial Institution reports whether the contractual terms include or would have included: (1) a balloon payment; (2) interest-only payments; (3) negative amortization; or (4) contractual terms, other than those listed above, that would allow for payments other than fully amortizing payments. 12 CFR 1003.4(a)(27). The 2015 HMDA Rule defines the terms balloon payment, interest-only payments, negative amortization, and fully amortizing payments by reference to Regulation Z, but without regard to whether the Covered Loan is subject to Regulation Z. Comment 4(a)(27). See 12 CFR 1026.18(s)(5)(i) for the definition of balloon payment, 12 CFR 1026.18(s)(7)(iv) for the definition of interest-only payments, and 12 CFR 1026.18(s)(7)(v) for information on when a contractual term would include negative amortization.

Example

Ficus Bank originates a business-purpose transaction that is exempt from Regulation Z. The borrower, a corporation, uses the loan proceeds to finance the purchase of a Multifamily Dwelling. The loan is secured by a mortgage on the Multifamily Dwelling. The loan includes a balloon payment, as defined by Regulation Z, 12 CFR 1026.18(s)(5)(i), at the end of the loan term. Even though the borrower is not a natural person, the loan is for a business purpose, and a Multifamily Dwelling is not a "dwelling" under Regulation Z, Ficus Bank reports the business-purpose transaction as having a balloon payment.

5.28 Data points for certain loans subject to Regulation Z

5.28.1 Total loan costs or total points and fees

For Covered Loans subject to the Ability-to-Repay provisions of Regulation Z, 12 CFR 1026.43, a Financial Institution reports the following:

1. **The amount of total loan costs as disclosed, pursuant to Regulation Z, on Line D of the Closing Cost Details page of the Closing Disclosure.** The Financial Institution reports the total loan costs if a Closing Disclosure was provided for the Covered Loan. 12 CFR 1003.4(a)(17)(i).

Financial Institutions report that this data point is not applicable for transactions that are not subject to the Ability-to-Repay provisions of Regulation Z, such as Open-End Lines of Credit, Reverse Mortgages, and Covered Loans made primarily for business or commercial purposes. Comment 4(a)(17)(i)-1. For transactions subject to the Ability-to-Repay provisions of Regulation Z for which a Closing Disclosure was not provided, Financial Institutions report that this data point is not applicable. 12 CFR 1003.4(a)(17). Financial Institutions also report that this data point is not applicable for purchased Covered Loans for which Applications were received by the selling entity prior to October 3, 2015. Comment 4(a)(17)(i)-2.

2. **The total points and fees charged in connection with the Covered Loan, calculated pursuant to Regulation Z.** The Financial Institution reports the total points and fees if the Covered Loan is not subject to Regulation Z's Closing Disclosure requirements and is not a purchased Covered Loan. 12 CFR 1003.4(a)(17)(ii).

Financial Institutions report that this data point is not applicable for transactions that are not subject to the Ability-to-Repay provisions of Regulation Z, such as Open-End Lines of Credit, Reverse Mortgages, and Covered Loans made primarily for business or commercial purposes. Comment 4(a)(17)(ii)-1. For transactions subject to the Ability-to-Repay provisions of Regulation Z for which a Closing Disclosure was provided, Financial Institutions report that this data point is not applicable. 12 CFR 1003.4(a)(17). Financial Institutions also report that this data point is not applicable for purchased Covered Loans. Comment 4(a)(17)(ii)-1.

For Covered Loans subject to the total loan cost reporting requirement, if the amount of total loan costs changes because a Financial Institution provides a revised Closing Disclosure, the Financial Institution reports the revised amount if the revised Closing Disclosure was provided to the borrower during the same reporting period in which loan closing occurred. Comment 4(a)(17)(i)-3.

For Covered Loans subject to the total points and fees reporting requirement, if a Financial Institution determines that the transaction's total points and fees exceeded the applicable limit and cures the overage pursuant to Regulation Z during the same reporting period in which closing occurred, the Financial Institution reports the revised amount of total points and fees. Comment 4(a)(17)(ii)-2.

Example

Ficus Bank is required to submit HMDA data quarterly. It closes a Covered Loan on January 2, 2020, and cures an overage pursuant to Regulation Z on January 9, 2020. Ficus Bank reports the revised amount of total points and fees in both its quarterly LAR submitted for first quarter data by May 30, 2020 and its annual LAR submitted in 2021 for 2020 data.

5.28.2 Total borrower-paid origination charges

For Covered Loans subject to the Closing Disclosure requirements of Regulation Z, 12 CFR 1026.19(f), the Financial Institution reports the total of all itemized origination charges that are designated borrower-paid at or before closing. 12 CFR 1003.4(a)(18). This total is disclosed on Line A of the Closing Cost Details page of the Closing Disclosure. For all other transactions, the Financial Institution reports that the data point is not applicable. A Financial Institution reports that the data point does not apply for purchased Covered Loans for which Applications were received by the seller prior to the effective date of the Closing Disclosure requirements of Regulation Z. Comments 4(a)(18)-1 and -2.

If the total amount of borrower-paid origination charges changes because a Financial Institution provides a revised Closing Disclosure pursuant to Regulation Z during the same reporting period in which the loan closing occurred, the Financial Institution reports the revised amount. Comment 4(a)(18)-3.

5.28.3 Total discount points

For Covered Loans subject to the Closing Disclosure requirements of Regulation Z, 12 CFR 1026.19(f), a Financial Institution reports the points paid to the creditor to reduce the interest rate. 12 CFR 1003.4(a)(19). This total is disclosed on Line A.01 of the Closing Cost Details page of the Closing Disclosure. For all other transactions, a Financial Institution reports that the data point is not applicable. A Financial Institution reports that the data point does not apply for purchased Covered Loans for which an Application was received by the seller prior to the effective date of the Closing Disclosure requirements of Regulation Z. Comments 4(a)(19)-1 and -2.

If the total discount points change because a Financial Institution provides a revised Closing Disclosure pursuant to Regulation Z during the same reporting period in which the loan closing occurred, the Financial Institution reports the revised amount. Comment 4(a)(19)-3.

5.28.4 Lender credits

For Covered Loans subject to the Closing Disclosure requirements of Regulation Z, 12 CFR 1026.19(f), the Financial Institution reports the amount of lender credits. 12 CFR 1003.4(a)(20). This total is disclosed in the second row under Line J on the Closing Cost Details page of the Closing Disclosure. For all other transactions, the Financial Institution reports that the data point is not applicable. A Financial Institution reports that the data point does not apply for purchased Covered Loans for which an Application was received by the seller prior to the effective date of the Closing Disclosure requirements of Regulation Z. Comments 4(a)(20)-1 and -2.

If the amount of the lender credits changes because a Financial Institution provides a revised Closing Disclosure pursuant to Regulation Z during the same reporting period in which the loan closing occurred, the Financial Institution reports the revised amount. Comment 4(a)(20)-3.

5.28.5 Prepayment penalty term

For Covered Loans and Applications subject to Regulation Z, other than Reverse Mortgages or purchased Covered Loans, a Financial Institution reports the term of any prepayment penalty. The term is reported in months. 12 CFR 1003.4(a)(22). A Financial Institution may rely on the definitions and official commentary to Regulation Z, 12 CFR 1026.32(b)(6)(i) or (ii), in

determining whether a Covered Loan includes a prepayment penalty. For Covered Loans that are not subject to Regulation Z, Reverse Mortgages, purchased Covered Loans, and Covered Loans or Applications that have no prepayment penalty, the Financial Institution reports that this data point is not applicable.

5.28.6 HOEPA status

For a Covered Loan that is subject to the Home Ownership and Equity Protection Act of 1994 (HOEPA), as implemented in Regulation Z, 12 CFR 1026.32, the Financial Institution reports whether or not the Covered Loan is a high-cost mortgage under Regulation Z.

12 CFR 1003.4(a)(13). Generally, a Financial Institution will report whether or not a consumer credit transaction subject to Regulation Z and secured by a principal dwelling (as that term is interpreted under Regulation Z) is a high-cost mortgage. See 12 CFR 1026.32(a) and its official commentary to determine whether a Covered Loan is subject to HOEPA and whether or not it is a high-cost mortgage under Regulation Z. For an Application or a Covered Loan that is not subject to HOEPA, the Financial Institution reports that this data point is not applicable. Comment 4(a)(13).

5.29 Transaction indicators

A Financial Institution separately reports whether or not a Covered Loan is or an Application is for:

1. A Reverse Mortgage.¹⁶ 12 CFR 1003.4(a)(36);
2. An Open-End Line of Credit.¹⁷ 12 CFR 1003.4(a)(37); and

¹⁶ A Reverse Mortgage is a Closed-End Mortgage Loan or Open-End Line of Credit that is a reverse mortgage transaction as defined in Regulation Z, but without regard to whether the loan or line is secured by a principal dwelling. 12 CFR 1003.2(q).

¹⁷ For more information on whether a Covered Loan is or an Application is for an Open-End Line of Credit, see Section 4.1.1.

3. A loan made primarily for a business or commercial purpose.¹⁸ 12 CFR 1003.4(a)(38).

5.30 Mortgage loan originator identifier

A Financial Institution reports the Nationwide Mortgage Licensing System and Registry identifier (NMLSR ID) for the mortgage loan originator, as defined in Regulation G, 12 CFR Part 1007, or Regulation H, 12 Part 1008, as applicable. 12 CFR 1003.4(a)(34). The NMLSR ID is a unique number or other identifier generally assigned to an individual registered or licensed through NMLSR to provide loan originating services. For more information, see the Secure and Fair Enforcement for Mortgage Licensing Act of 2008, title V of the Housing and Economic Recovery Act of 2008, 12 U.S.C. 5101 *et seq.*, and Regulation G or Regulation H, as applicable. Comment 4(a)(34)-1.

An NMLSR ID for the mortgage loan originator is not required to be reported if the mortgage loan originator is not required to obtain and has not been assigned an NMLSR ID. In those cases, the Financial Institution reports that this data point is not applicable. For example, certain individual mortgage loan originators may not be required to obtain an NMLSR ID for the particular transaction being reported, such as a commercial loan, and may not have an NMLSR ID. However, some mortgage loan originators may have obtained an NMLSR ID even if they are not required to obtain one for the particular transaction. If a mortgage loan originator has been assigned an NMLSR ID, a Financial Institution reports the mortgage loan originator's NMLSR ID regardless of whether the mortgage loan originator is required to obtain an NMLSR ID for the particular transaction being reported. Comment 4(a)(34)-2.

If more than one individual associated with a Covered Loan or Application meets the definition of "mortgage loan originator," as defined in Regulation G or Regulation H, a Financial Institution reports the NMLSR ID of the individual mortgage loan originator with primary responsibility for the transaction as of the date of action taken. A Financial Institution that establishes and follows a reasonable, written policy for determining which individual mortgage

¹⁸ If a Covered Loan or Application is deemed to be primarily for a business or commercial purpose under Regulation Z, 12 CFR 1026.3(a) and its official commentary, it is also deemed to be for a business or commercial purpose under the 2015 HMDA Rule.

loan originator has primary responsibility for the reported transaction as of the date of action taken complies with this reporting requirement. Comment 4(a)(34)-3.

5.31 Type of purchaser

A Financial Institution reports the type of purchaser for a Covered Loan if the Financial Institution: (a) originated the Covered Loan it is reporting and sold it within the same calendar year; or (b) purchased the Covered Loan it is reporting and then sold it within the same calendar year. 12 CFR 1003.4(a)(11). When reporting the type of purchaser, a Financial Institution reports the type of entity that purchased the Covered Loan from the Financial Institution, using one of the following:

1. Fannie Mae.
2. Ginnie Mae.
3. Freddie Mac.
4. Farmer Mac.
5. Private securitizer, which is an entity (other than one of the government-sponsored enterprises listed in 1 through 4 immediately above) that the Financial Institution knows or reasonably believes will securitize the Covered Loan. Knowledge or reasonable belief could, for example, be based on the purchase agreement or other related documents, the Financial Institution's previous transactions with the purchaser, or the purchaser's role as a securitizer (such as an investment bank). If the Financial Institution selling the Covered Loan does not know or reasonably believe that the purchaser will securitize the loan, and the seller knows that the purchaser frequently holds or disposes of loans by means other than securitization, then the Financial Institution reports the Covered Loan as purchased by, as appropriate, one of the other types of purchasers. Comment 4(a)(11)-4.

If the purchaser meets the criteria to be a private securitizer and fits within one of the other reportable categories in 6 through 10 below (including affiliate institution), the Financial Institution reports that the purchaser is a private securitizer. Comment 4(a)(11)-4.

6. Affiliate institution, which means a company that controls, is controlled by, or is under common control with the Financial Institution. The term has the meaning set forth in the Bank Holding Company Act of 1956, 12 U.S.C. 1841 *et seq.* If a purchaser meets the criteria

to be an affiliate institution and also fits within one of the other reportable types of purchaser in 7 through 10 below (but not private securitizer above), the Financial Institution reports that the purchaser is an affiliate institution. Comment 4(a)(11)-3.

7. Commercial bank, savings bank, or savings association.
8. Credit union, mortgage company, or finance company. A mortgage company is a nondepository institution that purchases Covered Loans and, typically, originates Covered Loans. Comment 4(a)(11)-5.
9. Life insurance company.
10. Other, which is a purchaser that is not any of the above. A Financial Institution would report the purchaser type of “other” if the purchaser was a bank holding company or thrift holding company that is not a private securitizer and is not an affiliate of the Financial Institution. Comment 4(a)(11)-7.

If a Financial Institution sells some interest or interests in a Covered Loan but retains a majority interest in that Covered Loan, the Financial Institution does not report the sale or type of purchaser (*i.e.*, it reports that this data point is not applicable). Comment 4(a)(11)-1.

If a Financial Institution sells all or a majority interest in the Covered Loan to more than one entity, the Financial Institution reports the type of purchaser based on the entity purchasing the greatest interest in the Covered Loan. Comment 4(a)(11)-1.

Covered Loans “swapped” for mortgage-backed securities are to be treated as sales, and the purchaser is the entity receiving the Covered Loans that are swapped. Comment 4(a)(11)-2.

A Financial Institution reports that this data point is not applicable:

1. If a Financial Institution sells some interest or interests in a Covered Loan but retains a majority interest in the loan;
2. For an Application that is denied, withdrawn, closed for incompleteness, or approved but not accepted; or
3. For a Covered Loan that the Financial Institution does not sell during the same calendar year that it originated or purchased the Covered Loan. Comments 4(a)(11)-1 and -10.

A Financial Institution records that the requirement to report type of purchaser is not applicable if the Financial Institution originated or purchased a Covered Loan and did not sell it during the

calendar quarter for which the Financial Institution is recording the data. If the Financial Institution sells the Covered Loan in a subsequent quarter of the same calendar year, the Financial Institution records the type of purchaser on its LAR for the quarter in which the Covered Loan was sold. If a Financial Institution sells the Covered Loan in a succeeding year, the Financial Institution should not record or report the sale. Comment 4(a)(11)-9.

6. Recording and reporting

6.1 Recording

The 2015 HMDA Rule requires a Financial Institution to record the data about a Covered Loan or Application on a LAR within 30 calendar days after the end of the calendar quarter in which the Financial Institution takes final action on the Application or Covered Loan.

12 CFR 1003.4(f). A Financial Institution is not required to record all of its HMDA data for a quarter on a single LAR. Rather, a Financial Institution may record data on a single LAR or may record data on one or more LARs for different branches or different loan types (such as Home Purchase Loans or Home Improvement Loans, or loans on Multifamily Dwellings). Comment 4(f)-1.

Other State or Federal regulations may require a Financial Institution to record its data on a LAR more frequently. Comment 4(f)-2.

Financial Institutions may maintain their quarterly records in electronic or any other format, provided they can make the information available to their regulatory agencies in a timely manner upon request. Comment 4(f)-3.

6.2 Reporting

In addition to the required data discussed in Section 5, above, effective January 1, 2019, a Financial Institution must include the following when it submits its HMDA data:

1. Its name;

2. The calendar year and, if applicable, the calendar quarter to which the data relate (see Section 6.2.2 for information on quarterly reporting);
3. The name and contact information for a person who can be contacted with questions about the submission;
4. The Financial Institution's appropriate Federal agency;
5. The total number of entries in the submission;
6. The Financial Institution's Federal Taxpayer Identification Number (TIN); and
7. The Financial Institution's LEI. 12 CFR 1003.5(a)(3).

If the appropriate Federal agency for a Financial Institution changes, the Financial Institution must identify its new appropriate Federal agency in its annual submission for the year of the change. Comment 5(a)-2. For example, if a Financial Institution's appropriate Federal agency changes in February 2018, it must identify its new appropriate Federal agency beginning with its annual submission of 2018 data by March 1, 2019. For a Financial Institution required to comply with quarterly reporting requirements (see Section 6.2.2), the Financial Institution also must identify its new appropriate Federal agency in its quarterly submission beginning with its submission for the quarter of the change, unless the change occurs during the fourth quarter. For example, if the appropriate Federal agency for a Financial Institution changes during February 2020, the Financial Institution must identify its new appropriate Federal agency beginning with its quarterly submission for the first quarter of 2020. Comment 5(a)-2.

If a Financial Institution obtains a new TIN, it must provide the new TIN in its subsequent data submissions. For example, if two Financial Institutions that previously reported HMDA data merge and the surviving Financial Institution retained its LEI but obtained a new TIN, the surviving Financial Institution reports the new TIN beginning with its next HMDA data submission. Comment 5(a)-5.

A Financial Institution that is a subsidiary of a bank or savings association must complete its own LAR and submit it, directly or through its parent, to the appropriate Federal agency for the subsidiary's parent. 12 CFR 1003.5(a)(2). A Financial Institution is a subsidiary of a bank or savings association (for purposes of reporting HMDA data to the same agency as the parent) if the bank or savings association holds or controls an ownership interest in the Financial Institution that is greater than 50 percent. Comment 5(a)-6.

6.2.1 Annual reporting

The 2015 HMDA Rule maintains the annual reporting requirement, but requires Financial Institutions to submit data electronically in accordance with the procedures published by the Bureau and posted at <http://www.consumerfinance.gov/hmda>. 12 CFR 1003.5(a)(5).

Under the 2015 HMDA Rule, a Financial Institution must submit its annual LAR in electronic format to its appropriate Federal agency by March 1 of the year following the calendar year for which data are collected. Appendix A to Part 1003 (through December 31, 2018); 12 CFR 1003.5(a)(1)(i) (after December 31, 2018). An individual who is an authorized representative of the Financial Institution and who has knowledge regarding the submitted data must certify its accuracy and completeness. Appendix A to Part 1003 (through December 31, 2018); 12 CFR 1003.5(a)(1)(i) (after December 31, 2018).

A Financial Institution must retain a copy of its submitted annual LAR for at least three years. 12 CFR 1003.5(a)(1)(i). Financial Institutions may retain their annual LARs in either paper or electronic form. Comment 5(a)-4.

For more information on reporting under the 2015 HMDA Rule or on the electronic submission of data, please see <http://www.consumerfinance.gov/hmda>.

6.2.2 Quarterly reporting

The 2015 HMDA Rule requires some Financial Institutions to report data on a quarterly basis as well as on an annual basis. The quarterly reporting requirement is effective January 1, 2020. It applies to a Financial Institution that reported at least 60,000 originated Covered Loans and Applications (combined) for the preceding calendar year. The Financial Institution does not count purchased Covered Loans when determining whether the quarterly reporting requirement applies. If quarterly reporting is required, the Financial Institution must report all data required to be recorded for the calendar quarter within 60 calendar days after the end of the calendar quarter. The quarterly reporting requirement does not apply, however, to the fourth quarter of the year. A Financial Institution subject to the quarterly reporting requirement reports its fourth quarter data as part of its annual submission. In its annual submission, a quarterly reporter will resubmit the data previously submitted for the first three calendar quarters of the year, including any corrections to the data, as well as its fourth quarter data. 12 CFR 1003.5(a)(ii).

6.3 Disclosure of data

6.3.1 Disclosure statement

Effective January 1, 2018, the 2015 HMDA Rule changes Regulation C's disclosure statement requirements. The changes apply to data collected in 2017 and later years. Under the 2015 HMDA Rule, the FFIEC shall provide a notice to the Financial Institution that the Financial Institution's disclosure statement (based on data submitted for the prior calendar year) is available. 12 CFR 1003.5(b)(1). No later than three business days (any calendar day other than a Saturday, Sunday, or legal public holiday) after receiving notice from the FFIEC, the Financial Institution must make available to the public, upon request, a written notice that clearly conveys that the Financial Institution's disclosure statement may be obtained on the Bureau's website at www.consumerfinance.gov/hmda. 12 CFR 1003.5(b)(2); comment 5(b)-1. A Financial Institution may, but is not required to, use the sample notice in [Attachment C](#) to satisfy the 2015 HMDA Rule's disclosure statement requirement. The notice may be made available in paper or electronic form. Comment 5(b)-2.

A Financial Institution must make the notice available to the public for a period of five years. 12 CFR 1003.5(d)(1).

At its discretion, a Financial Institution may also provide its disclosure statement and impose a reasonable fee for costs incurred reproducing or providing the statement. 12 CFR 1003.5(d)(2). Even if it provides the disclosure statement, a Financial Institution must comply with the notice requirement.

6.3.2 Modified LAR

Effective January 1, 2018, the 2015 HMDA Rule changes a Financial Institution's obligations with respect to disclosing its modified LAR. The new requirements apply to data collected in 2017 and later years.

Beginning in 2018, upon request from a member of the public, a Financial Institution must provide a written notice regarding the availability of its modified LAR. The written notice must

clearly convey that the Financial Institution's LAR, as modified by the Bureau to protect borrower and applicant privacy, may be obtained on the Bureau's website at www.consumerfinance.gov/hmda. 12 CFR 1003.5(c).

A Financial Institution may, but is not required to, use the sample notice in [Attachment C](#) to satisfy the 2015 HMDA Rule's modified LAR requirement. Comment 5(c)-2. A Financial Institution may, but is not required to, use the same notice for purposes of this disclosure requirement and the disclosure statement requirement discussed in Section 6.3.1. The notice may be made available in paper or electronic form. Comment 5(c)-1.

The notice must be made available in the calendar year following the calendar year for which the Financial Institution collected data. The notice must be made available for three years. 12 CFR 1003.5(d)(1). For example, in calendar year 2021, an institution must make available a notice that its modified LAR is available on the Bureau's website if it was required to collect data in 2018, 2019, or 2020.

At its discretion, a Financial Institution may also provide its LAR, as modified by the Bureau, and impose a reasonable fee for any costs incurred to reproduce or provide the data. 12 CFR 1003.5(d)(2). Even if it decides to provide the modified LAR, a Financial Institution must comply with the notice requirement.

6.3.3 Posted notices

The 2015 HMDA Rule modifies Regulation C's posting requirement. Beginning January 1, 2018, a Financial Institution must post, in the lobby of its home office and each Branch Office physically located in an MSA or MD, a general notice about the availability of its HMDA data on the Bureau's website. 12 CFR 1003.5(e). A Financial Institution may, but is not required to, use the sample notice in [Attachment C](#) to satisfy this requirement. In any case, the notice must clearly convey that the Financial Institution's HMDA data are available on the Bureau's website at www.consumerfinance.gov/hmda. Comment 5(e).

6.3.4 Aggregated data

The FFIEC will use the annual data submitted pursuant to the 2015 HMDA Rule to make available aggregated data for each MSA and MD, showing lending patterns by property location, age of housing stock, and income level, sex, ethnicity, and race. 12 CFR 1003.5(f).

7. Enforcement provisions

A violation of Regulation C, both before and after the effective date of the 2015 HMDA Rule, is subject to administrative sanctions, including civil money penalties. Compliance can be enforced by the Federal Reserve Board, Federal Deposit Insurance Corporation, the Office of the Comptroller of Currency, the National Credit Union Administration, HUD, or the Bureau.

An error in compiling or recording data for a Covered Loan or Application is not a violation of HMDA or Regulation C if the error was unintentional and occurred despite maintenance of procedures reasonably adapted to avoid such errors. 12 CFR 1003.6(b)(1). However, a Financial Institution that obtains the property-location information for Applications and Covered Loans from third parties is responsible for ensuring that the information reported is correct. An incorrect entry for a census tract number is deemed a bona fide error and is not a violation if the Financial Institution maintains procedures reasonably adapted to avoid such an error. 12 CFR 1003.6(b)(2).

If a Financial Institution makes a good-faith effort to record all data fully and accurately within 30 calendar days after the end of the calendar quarter as required under the 2015 HMDA Rule, but some data are inaccurate or incomplete, the inaccuracy or omission is not a violation of HMDA or Regulation C if the Financial Institution corrects or completes the data prior to submitting its annual LAR. 12 CFR 1003.6(c)(1).

If a Financial Institution that is required to submit quarterly data makes a good-faith effort to report all data fully and accurately within 60 calendar days as required under the 2015 HMDA Rule, but some data are inaccurate or incomplete, the inaccuracy or omission is not a violation of HMDA or Regulation C if the Financial Institution corrects or completes the data prior to submitting its annual LAR. 12 CFR 1003.6(c)(2).

8. Mergers and acquisitions

8.1 Determining coverage

After a merger or acquisition, the surviving or newly formed institution is subject to Regulation C, effective January 1, 2018, if it satisfies the coverage criteria for either a Depository Financial Institution or a Nondepository Financial Institution. See Section 3 for more information on institutional coverage. When determining whether the institution is covered, the surviving or newly formed institution must consider the combined assets, locations, and lending activities of the surviving or newly formed entity and the merged or acquired entities or acquired branches. Comment 2(g)-3.

8.2 Reporting responsibility for calendar year of merger or acquisition

The following discusses the applicability of the 2015 HMDA Rule during the calendar year of a merger or acquisition:

1. If two institutions that are not subject to Regulation C merge, but the newly formed or surviving institution is subject to Regulation C, no data collection is required for the calendar year of the merger.
2. When a branch office of an institution that is not subject to Regulation C is acquired by another institution that is not subject to Regulation C, and the acquisition results in the acquiring institution becoming subject to Regulation C, no data collection is required for the calendar year of the acquisition.

3. If an institution that is subject to Regulation C and an institution that is not subject to Regulation C merge, and the surviving or newly formed institution is subject to Regulation C, for the calendar year of the merger, data collection is required for Covered Loans and Applications handled in the offices of the institution that was previously subject to Regulation C. For the calendar year of the merger, data collection is optional for Covered Loans and Applications handled in offices of the institution that was not previously subject to Regulation C.
4. When an institution that is subject to Regulation C acquires a branch office of an institution that is not subject to Regulation C, data collection is optional for Covered Loans and Applications handled by the acquired branch office for the calendar year of the acquisition.
5. If an institution that is subject to Regulation C and an institution that is not subject to Regulation C merge and the surviving or newly formed institution is not subject to Regulation C, data collection is required for Covered Loans and Applications handled prior to the merger in the previously covered institution's offices. After the merger date, data collection is optional for Covered Loans and Applications handled in the offices of the institution that was previously covered.
6. When an institution that is not subject to Regulation C acquires a Branch Office of an institution that is subject to Regulation C but that acquisition does not result in the acquiring institution becoming subject to Regulation C, data collection is required for transactions of the acquired Branch Office that take place prior to the acquisition. Data collection by the acquired Branch Office is optional for transactions taking place in the remainder of the calendar year of the acquisition.
7. If two or more institutions that are subject to Regulation C merge and the surviving or newly formed institution is also subject to Regulation C, data collection is required for the entire calendar year of the merger. The surviving or newly formed Financial Institution files either a consolidated submission or separate submissions for that calendar year.
8. When one institution subject to Regulation C acquires a Branch Office of another covered institution, data collection is required for the entire calendar year of the merger. Data for the acquired Branch Office may be submitted by either Financial Institution. Comment 2(g)-4.

8.3 Changes to appropriate Federal agency or TIN

Under the 2015 HMDA Rule, if the appropriate Federal agency for a Financial Institution changes, the Financial Institution must identify its new appropriate Federal agency in its annual submission for the year of the change. For example, if a Financial Institution's appropriate Federal agency changes in February 2019, it must identify its new appropriate Federal agency beginning with the annual submission of its 2019 data by March 1, 2020. For a Financial Institution required to comply with quarterly reporting requirements, the Financial Institution also must identify its new appropriate Federal agency in its quarterly submissions, beginning with its submission for the quarter of the change, unless the change occurs during the fourth quarter. Comment 5(a)-2. For example, if the appropriate Federal agency for a Financial Institution changes during February 2020, the Financial Institution must identify its new appropriate Federal agency beginning with its quarterly submission for the first quarter of 2020.

If a Financial Institution obtains a new TIN, it should provide the new number in its subsequent data submission. For example, if two Financial Institutions that previously reported HMDA data merge and the surviving Financial Institution retained its LEI but obtained a new TIN, then the surviving Financial Institution should report the new TIN with its next HMDA data submission. Comment 5(a)-5.

8.4 Determining quarterly reporting coverage

In the calendar year of a merger, the 2015 HMDA Rule requires a surviving or newly formed Financial Institution to report quarterly, beginning with the first quarterly submission due date after the date of the merger, if when added together the surviving or newly formed Financial Institution and all Financial Institutions that merged reported at least 60,000 originated Covered Loans and Applications for the preceding calendar year. Similarly, in the calendar year of an acquisition, the surviving Financial Institution is required to report quarterly, beginning with the first quarterly submission due date after the date of the acquisition, if when added together the surviving Financial Institution and the acquired Financial Institution(s) or Branch Office(s) reported at least 60,000 originated Covered Loans and Applications for the preceding

calendar year. If a Financial Institution acquires one or more Branch Offices of another Financial Institution but does not acquire the Financial Institution, it is required to count only the originated Covered Loans and Applications for the Branch Offices(s) that it acquired. Comment 5(a)-1.ii.

In the calendar year following a merger or acquisition, the surviving or newly formed Financial Institution is required to comply with the quarterly reporting requirements if a combined total of at least 60,000 originated Covered Loans and Applications is reported for the preceding calendar year by or for the surviving or newly formed Financial Institution and each Financial Institution or Branch Office that merged or was acquired. Comment 5(a)-1.iii.

9. Practical implementation and compliance considerations

This section of the guide sets forth some general compliance and practical implementation considerations related to the 2015 HMDA Rule. However, it is not a compliance plan and does not include every compliance or implementation issue that an institution may need to consider.

Each institution will need to determine its obligations under the 2015 HMDA Rule and the best way for the institution to comply with them. Depending on the institution, compliance could involve preparing or changing policies, procedures, and processes. It could also result in changes to the institution's operations and its relationships with third parties, such as vendors. It could involve additional staffing and training.

Institutions should consult with their legal counsel and compliance officers to understand their obligations under the 2015 HMDA Rule and to prepare and implement compliance plans.

9.1 Identifying affected institutions, products, departments, and staff

When planning, institutions should first determine if they are likely to be subject to the 2015 HMDA Rule and, if so, identify their affected products, departments, and staff. The effects on these products, departments, and staff may vary greatly depending on the institution's size, organizational structure, and the complexity of its operations and systems.

First, an institution should assess whether or not it will be a Financial Institution subject to the 2015 HMDA Rule. This assessment can be done by reviewing the 2015 HMDA Rule's effective dates and criteria for institutional coverage. It is important to note that the coverage criteria for

depository institutions change in 2017, and the coverage criteria for all institutions change effective January 1, 2018. A bank, savings association, or credit union should review both the 2017 and 2018 changes. A nondepository institution will need to review only the 2018 changes. For more information on which institutions are subject to the 2015 HMDA Rule, see Section 3 of this guide. An institution can also use the [HMDA Institutional Coverage Charts](#) to help it determine if it is subject to Regulation C, as amended by the 2015 HMDA Rule. However, the HMDA Institutional Coverage Charts and this guide are not substitutes for the 2015 HMDA Rule.

Second, a Financial Institution must assess which of its products and services involve Covered Loans and reportable activity under the 2015 HMDA Rule. For more information on which transactions relate to Covered Loans and reportable activity, see Section 4 of this guide.

It is important to note that the 2015 HMDA Rule may not require a Financial Institution to report Open-End Lines of Credit. A Financial Institution is not required to report Open-End Lines of Credit if it originated fewer than 100 Open-End Lines of Credit in each of the preceding two calendar years. For more information on Open-End Lines of Credit, Covered Loans, and Excluded Transactions, see Section 4.1 of this guide.

After determining which of its products and services involve transactions that must be reported, a Financial Institution can begin to assess which of its departments, systems, and staff will be affected.

Third, the Financial Institution should determine what information it must report and how it will collect this information. The information that a Financial Institution must report might vary depending on the type of transaction being reported. For example, a Financial Institution may not be required to collect and report the same information for a purchased Covered Loan as for an originated Covered Loan. It might not be required to report the same information for a business-purpose loan as for a consumer-purpose loan. For more information on the reportable data points, see Section 5 of this guide and the [HMDA Rule: Reporting Not Applicable chart](#).

After determining what information must be collected and reported for reportable transactions, a Financial Institution can refine its assessment regarding which of its systems, departments, and staff will be affected by the 2015 HMDA Rule.

9.1.1 Identifying changes to business processes, policies, and systems

The requirements of the 2015 HMDA Rule may affect a number of a Financial Institution's business systems, processes, and policies. A review should be conducted of existing business processes, policies, and systems that the Financial Institution, its agents, and other business partners use. Identifying impacts early will allow the Financial Institution to understand what changes will be needed to support ongoing compliance.

When reviewing its existing processes, policies, and systems, a Financial Institution should consider the 2015 HMDA Rule's requirement to submit data electronically beginning in 2018. Beginning in 2018, Financial Institutions will not be able to use paper-based submissions for HMDA data. The Bureau is creating a web-based tool for submission of HMDA data. Financial Institutions should become familiar with the new web-based submission tool and be able to use it to submit data beginning in 2018. For more information on the web-based submission tool, see <http://www.consumerfinance.gov/hmda/>.

Financial Institutions may need to revise or develop processes and policies to comply with the changes to transactional coverage. For example, a Financial Institution may need to develop new processes and policies to comply with the reporting requirements for Open-End Lines of Credit.

9.1.2 Identifying impacts to key service providers or business partners

Financial Institutions should review their arrangements and agreements with third parties engaged for services related to mortgage or other support activities. Close coordination and discussion of implementation plans with these vendors and business partners is critical to ensure that the services for which they are engaged will continue to support the Financial Institution's business needs and comply with all regulatory and legal obligations.

Third-party relationships may need to be reviewed and adjusted to satisfy requirements for collecting, recording, or reporting required HMDA data, updating compliance and quality control systems and processes, and ensuring record management requirements are in place. If the Financial Institution seeks the assistance of vendors or business partners, it is responsible for understanding the extent of the assistance that they provide. Also, the data collection and

reporting requirements in the 2015 HMDA Rule reinforce the need to assess current integrations between the Financial Institution's technology platforms and those of its third-party providers to determine what updates are necessary.

Software providers, other vendors, and business partners may offer compliance solutions that can assist with any necessary changes. Identifying these key partners will depend on the Financial Institution's business model. For example, Financial Institutions may find it helpful to coordinate and discuss potential implementation issues with their correspondents, secondary market partners, and technology vendors. In some cases, institutions may need to negotiate revised or new contracts with these parties, or seek a different set of services.

The Bureau expects supervised banks and nonbanks to have an effective process for managing the risks of service provider relationships. For more information, see CFPB Bulletin 2012-03 at http://files.consumerfinance.gov/f/201204_cfpb_bulletin_service-providers.pdf.

9.2 Implementation and compliance management support activities

9.2.1 Implementation and compliance management

Financial Institutions should develop implementation plans and follow change management procedures to implement the requirements of the 2015 HMDA Rule based on an assessment of impacts. The plans should be developed in consultation with, or reviewed by, key stakeholders such as legal, compliance, and information technology departments. Implementation plans should be proactively and clearly communicated to the Board of Directors and senior management.

Policies, procedures, and process maps may need to be updated to reflect the changes made to business processes in response to the requirements of the 2015 HMDA Rule. In addition, Financial Institutions' compliance management systems and other risk management supporting activities may need to be adjusted to reflect the requirements of the 2015 HMDA Rule.

The 2015 HMDA Rule changes the way that HMDA data will be disclosed. These changes will require Financial Institutions to provide new notices and post revised notices. They may also affect policies and procedures. A Financial Institution may, but is not required to, use the model

notices in [Attachment C](#). For more information on disclosure requirements, see Section 6.3 of this guide.

The 2015 HMDA Rule's changes regarding the collection and reporting of an applicant's ethnicity, race, and sex will require that Financial Institutions revise their collection forms or Application forms. For more information on collecting ethnicity, race, and sex information see Section 5.1 of this guide and appendix B to the 2015 HMDA Rule.

When implementing its compliance plan, a Financial Institution should note that many of the 2015 HMDA Rule's effective dates are applicable based on when a Financial Institution takes final action, not when it received an Application. For example, a Financial Institution collects the revised data points under the 2015 HMDA Rule for Applications on which final action is taken on or after January 1, 2018. Therefore, a Financial Institution may need a way to collect the information related to the revised data points for some Applications received in 2017. However, the 2015 HMDA Rule provides a transition provision for the collection of ethnicity, race, and sex information. A Financial Institution collects the ethnicity, race, and sex information required under current Regulation C for Applications received before January 1, 2018 and under the 2015 HMDA Rule for Applications received on or after January 1, 2018.

9.2.2 HMDA responsibilities

A Financial Institution's management should ensure that procedures and systems exist to collect and maintain accurate data for each Covered Loan and Application that the Financial Institution is responsible for reporting. The individual(s) assigned responsibility for preparing and maintaining the data should understand the regulatory requirements and be provided the resources and tools needed to produce complete and accurate data. Appropriate record entries for a Covered Loan or Application must be made on a LAR within 30 calendar days after the end of the calendar quarter in which the final action occurs (such as origination or purchase of a Covered Loan, or denial or withdrawal of an Application). The data must be submitted on time, and the institution should respond promptly to any questions that may arise during the processing of data submitted. An authorized representative of the Financial Institution with knowledge of the data submitted must certify the accuracy and completeness of the annual data submitted.

9.2.3 Staffing and training

To ensure that it can meet its obligations under the 2015 HMDA Rule, a Financial Institution should evaluate current staffing levels and relevancy and adequacy of training provided to employees. These employees likely include operations and lending-related staff such as loan officers, processors, compliance, and quality-control staff, as well as others who approve, process, or monitor mortgage loans. Training may also be required for other individuals that the Financial Institution, its agents, or its business partners employ.

Execution of tasks related to the preparation of reports or records are likely performed by compliance personnel of Financial Institutions. For some Financial Institutions, however, the data intake and transcribing stage could involve loan officers or processors whose primary function is to evaluate or process Applications. For example, loan officers may obtain information from applicants and input that information into the reporting system.

ATTACHMENT A:

SAMPLE DATA COLLECTION FORM DEMOGRAPHIC INFORMATION OF APPLICANT AND CO-APPLICANT

The purpose of collecting this information is to help 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, race, and sex) 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. You may select one or more "Hispanic or Latino" origins, and one or more designations for "Race."

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, race, and sex on the basis of visual observation or surname. If you do not wish to provide some or all of this information, please check below.

Applicant:

Ethnicity:

- Hispanic or Latino – Check one or more
 - Mexican
 - Puerto Rican
 - Cuban
 - Other Hispanic or Latino – Print origin, for example, Argentinean, Colombian, Dominican, Nicaraguan, Salvadoran, Spaniard, and so on:

 Not Hispanic or Latino

I do not wish to provide this information

Race: Check one or more

- American Indian or Alaska Native – Print name of enrolled or principal tribe:

- Asian
 - Asian Indian
 - Chinese
 - Filipino
 - Japanese
 - Korean
 - Vietnamese
 - Other Asian – Print race, for example, Hmong, Laotian, Thai, Pakistani, Cambodian, and so on:

- Black or African American
- Native Hawaiian or Other Pacific Islander
 - Native Hawaiian
 - Guamanian or Chamorro
 - Samoan
 - Other Pacific Islander – Print race, for example, Fijian, Tongan, and so on:

- White

I do not wish to provide this information

Sex:

- Female
- Male

I do not wish to provide this information

Co-Applicant:

Ethnicity:

- Hispanic or Latino
 - Mexican
 - Puerto Rican
 - Cuban
 - Other Hispanic or Latino – Print origin, for example, Argentinean, Colombian, Dominican, Nicaraguan, Salvadoran, Spaniard, and so on:

 Not Hispanic or Latino

I do not wish to provide this information

Race:

- American Indian or Alaska Native – Print name of enrolled or principal tribe:

- Asian
 - Asian Indian
 - Chinese
 - Filipino
 - Japanese
 - Korean
 - Vietnamese
 - Other Asian – Print race, for example, Hmong, Laotian, Thai, Pakistani, Cambodian, and so on:

- Black or African American
- Native Hawaiian or Other Pacific Islander
 - Native Hawaiian
 - Guamanian or Chamorro
 - Samoan
 - Other Pacific Islander – Print race, for example, Fijian, Tongan, and so on:

- White

I do not wish to provide this information

Sex:

- Female
- Male

I do not wish to provide this information

To Be Completed by Financial Institution (for an application taken in person):

Was the ethnicity of the applicant collected on the basis of visual observation or surname?

- Yes
- No

Was the race of the applicant collected on the basis of visual observation or surname?

- Yes
- No

Was the sex of the applicant collected on the basis of visual observation or surname?

- Yes
- No

Was the ethnicity of the co-applicant collected on the basis of visual observation or surname?

- Yes
- No

Was the race of the co-applicant collected on the basis of visual observation or surname?

- Yes
- No

Was the sex of the co-applicant collected on the basis of visual observation or surname?

- Yes
- No

ATTACHMENT B:

Action taken chart

Scenarios	Reportable Action Taken	Reportable Date
<p>Financial Institution made a credit decision approving an Application, including a preapproval request, before loan closing or account opening and that credit decision resulted in a Covered Loan being originated. Comments 4(a)(8)(i)-1.</p> <p>Financial Institution made counteroffer and applicant accepted resulting in a Covered Loan being originated. Comments 4(a)(8)(i)-9 and 4(a)(8)(ii)-5.</p>	<p>Loan originated</p>	<p>Generally, loan closing or account opening date. If applicable, can be: later date of initial funds disbursement; date Financial Institution acquired Covered Loan from the party that initially received the Application; or, for a construction-to-permanent loan, date Covered Loan converts to permanent financing</p>
<p>Financial Institution purchased a Covered Loan after closing or account opening, and Financial Institution did not make a credit decision on the Application prior to closing or account opening. Comments 4(a)(8)(i)-2 and 4(a)(8)(ii)-6.</p> <p>Financial Institution made a credit decision on an Application prior to closing or account opening, but repurchased the Covered Loan from another entity to which the Financial Institution had sold it. Comments 4(a)(8)(i)-2 and 4(a)(8)(ii)-6.</p>	<p>Loan purchased</p>	<p>Date of purchase</p>

Financial Institution made a credit decision approving an Application before loan closing or account opening, all conditions were satisfied, Financial Institution agreed to extend credit, but a Covered Loan was not originated. Comments 4(a)(8)(i)-3, 4(a)(8)(i)-13, and 4(a)(8)(ii)-4.

Financial Institution made a credit decision approving an Application subject to conditions that are solely customary commitment or closing conditions,¹⁹ and the conditions were not all met. Comments 4(a)(8)(i)-13 and 4(a)(8)(ii)-4.

Financial Institution made a credit decision approving an Application, subject solely to outstanding conditions that are customary commitment or closing conditions, but applicant failed to respond or a Covered Loan was not originated. Comments 4(a)(8)(i)-3 and 4(a)(8)(ii)-4.

Application approved but not accepted

Any reasonable date, such as approval date, deadline for accepting offer, or date file was closed

Financial Institution made a credit decision approving an Application, all underwriting and creditworthiness conditions²⁰ were met, outstanding conditions were solely customary commitment or closing conditions, and applicant expressly withdrew before a Covered Loan was originated. Comments 4(a)(8)(i)-13 and 4(a)(8)(ii)-4.

Covered Loan was originated, but Borrower rescinded after closing and before Financial Institution was required to submit its LAR containing information for the Covered Loan. Comments 4(a)(8)(i)-10 and 4(a)(8)(ii)-4.

19 Customary commitment or closing conditions include: a clear-title requirement, an acceptable property survey, acceptable title insurance binder, clear termite inspection, a subordination agreement from another lienholder, and, where the applicant plans to use the proceeds from the sale of one home to purchase another, a settlement statement showing adequate proceeds from the sale. Comment 4(a)(8)(i)-13.ii.

20 Underwriting or creditworthiness conditions include: conditions that constitute a counter-offer, (such as a demand for a higher down-payment), satisfactory debt-to-income or loan-to-value ratios, a determination of need for private mortgage insurance, a satisfactory appraisal requirement, or verification or confirmation, in whatever form the Financial Institution requires, that the applicant meets underwriting conditions concerning applicant creditworthiness, including documentation or verification of income or assets. Comment 4(a)(8)(i)-13.iii.

Financial Institution denied an Application before applicant withdrew it and before file was closed for incompleteness. Comments 4(a)(8)(i)-4 and 4(a)(8)(ii)-2.

Financial Institution made a counteroffer, and applicant did not accept the counteroffer or failed to respond. Comments 4(a)(8)(i)-9 and 4(a)(8)(ii)-2.

Application denied

Date Application is denied or date notice sent to applicant

Financial Institution provided conditional approval specifying underwriting or creditworthiness conditions that were not all met. Comments 4(a)(8)(i)-13 and 4(a)(8)(ii)-2.

Application expressly withdrawn by applicant before Financial Institution made a credit decision denying or approving the Application and before file was closed for incompleteness. Comments 4(a)(8)(i)-5 and 4(a)(8)(ii)-3.

Financial Institution provided conditional approval specifying underwriting or creditworthiness conditions, and the Application was expressly withdrawn by the applicant before the applicant satisfied all specified underwriting or creditworthiness conditions and before the Financial Institution denied the loan or closed the file for incompleteness. Comments 4(a)(8)(i)-5 and 4(a)(8)(ii)-3.

Application withdrawn

Date the express withdrawal was received or date shown on the notification form (if written withdrawal)

Financial Institution approved an Application, subject to underwriting or creditworthiness conditions, sent notice of incompleteness under Regulation B, but the applicant failed to respond within the specified time. Comments 4(a)(8)(i)-13 and 4(a)(8)(ii)-2.

Applicant had not satisfied all underwriting or creditworthiness conditions, Financial Institution sent written notice of incompleteness under Regulation B, and the applicant did not respond to the request for additional information within the period of time specified in the notice. Comments 4(a)(8)(i)-6 and 4(a)(8)(ii)-2.

File closed for incompleteness
Note: A preapproval request that is closed for incompleteness is not reportable under HMDA

Date file was closed or date notice sent to applicant

<p>Applicant had not satisfied all underwriting or creditworthiness conditions, Financial Institution sent written notice of incompleteness under Regulation B, the applicant did not respond, then the Financial Institution provided notice of adverse action on basis of incompleteness under Regulation B. Comments 4(a)(8)(i)-6 and 4(a)(8)(ii)-2.</p>	<p>Either file closed for incompleteness or application denied Note: A preapproval request that is closed for incompleteness is not reportable under HMDA</p>	<p>Date file was closed, Application was denied (as applicable), or notice sent to applicant</p>
<p>Application was a request for a preapproval under a Preapproval Program, the Financial Institution approved the preapproval request, but the Application did not result in the Financial Institution originating a Covered Loan. Comments 4(a)(8)(i)-8 and 4(a)(8)(ii)-4.</p>	<p>Preapproval request approved but not accepted</p>	<p>Any reasonable date, such as approval date, deadline for accepting offer, or date file was closed</p>
<p>Application was request for a preapproval under Preapproval Program, and the Financial Institution made a credit decision denying the preapproval request. Comments 4(a)(8)(i)-7 and 4(a)(8)(ii)-2.</p>	<p>Preapproval request denied</p>	<p>Date preapproval request was denied or date notice sent to applicant</p>

ATTACHMENT C:

Sample notices

Below is a sample notice that can be provided to members of the public upon request to satisfy § 1003.5(b)(2) and (c). The following language is suggested, but is not required.

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). HMDA data for many other financial institutions are also available at this Web site.

Below is a sample posted notice that can be used to satisfy § 1003.5(e) and inform the public of availability of HMDA data. The following language is suggested, but is not required.

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. 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).