CFPB HMDA Webinars

1. Overview of the HMDA final rule and effective dates
2. Overview of identifiers, applications and data points
CFPB HMDA Webinars

1. Overview of the HMDA final rule and effective dates

Topics

1. Identifiers
2. Applications or loans
3. Property and loan originator
4. Data points related to applicants and borrowers
General Disclaimer

- This presentation is not a substitute for the rule.
- While efforts have been made to ensure accuracy, only the rule and its official interpretations can provide complete and definitive information regarding requirements.
- We refer to the official interpretations generally as commentary or as individual comments.
- This presentation is current as of February 3, 2017.
Identifiers

HMDA
Legal Entity Identifier
Legal Entity Identifier
Legal Entity Identifier

LEI

HMDA Data 2018 → Federal Agency

CFPB Consumer Financial Protection Bureau
Legal Entity Identifier

HMDA Data 2018 \[\rightarrow\] Federal Agency

March 1, 2019
Legal Entity Identifier

- HMDA reporter’s ID #
- LEI
Legal Entity Identifier

LEI

20 Digit Code

LEI Regulatory Oversight Committee

Global LEI Foundation
Legal Entity Identifier

LEI

Global LEI Foundation

www.gleif.org
LEI Implementation
LEI Implementation

Universal Loan Identifier → LEI → ULI
LEI Implementation

![Diagram of LEI and ULI](image-url)
LEI Implementation

Applications received
LEI Implementation

Applications received

Covered loans it originates
LEI Implementation

Applications received
Covered loans it originates
Purchased covered loans
Universal Loan Identifier

ULI

All covered loans and applications

Reported on your HMDA submission
Universal Loan Identifier

What is a ULI?
Universal Loan Identifier

ULI

Identify

Retrieve
Universal Loan Identifier

ULI

1

2

3
Universal Loan Identifier

ULI

1. The Financial Institution’s LEI

2.

3.
Universal Loan Identifier

ULI

1. The Financial Institution’s LEI
2. 23 Characters For Identification
3.
Universal Loan Identifier

ULI

1. The Financial Institution’s LEI
2. 23 Characters For Identification
3. Check Digit
Universal Loan Identifier

ULI

23 Characters For Identification

Unique
Universal Loan Identifier

ULI

23 Characters For Identification

Unique

Assign only one
Universal Loan Identifier

ULI

23 Characters For Identification

Unique
Assign only one
One Application
Universal Loan Identifier

ULI

23 Characters For Identification

Unique
Assign only one
One Application

Contain no Identifying Information
Universal Loan Identifier

ULI

23 Characters For Identification

Contain no Identifying Information

Name  Date of Birth  SS#  Driver’s License
Universal Loan Identifier

ULI

23 Characters For Identification

Contain no Identifying Information

Passport number

Alien Registration

Employer ID

Taxpayer ID
Universal Loan Identifier

Purchased Covered Loan \(\rightarrow\) ULI
Universal Loan Identifier

Purchased Covered Loan → ULI

May not have been assigned by the institution who originated the loan
Universal Loan Identifier

Purchased Covered Loan \[\rightarrow\] ULI

May not have been assigned by the institution who originated the loan

3 Check Digit
Universal Loan Identifier

1. The Financial Institution’s LEI
2. 23 Characters For Identification
3. Check Digit
Property Identifier

Information about property location
Property Identifier

Information about property location

Property address
Property Identifier

Information about property location

Property address

Property located in MSA or MD in which the financial institution has a home or branch office
Property Identifier

Information about property location

Property located in MSA or MD in which the financial institution has a home or branch office

Subject to Community Reinvestment Act
Property Identifier

Information about property location

Property address

Property located in MSA or MD in which the financial institution has a home or branch office

Subject to Community Reinvestment Act

State, county, and census tract
Property Identifier

- Information about property location
- State, county, and census tract
- Census Tract – Population of 30,000 or more
Property Identifier

Information about property location

State, county, and census tract

Census Tract – Population of 30,000 or more

2018 data collection

11 digit number with state, county, and census tract codes
Property Identifier

Information about property location
Property Identifier

Information about property location

Property taken as a security
Property Identifier

Information about property location

Property taken as a security
Property Identifier

Information about property location

If...

More than one property taken as a security
Property Identifier

Information about property location

If...

More than one property taken as a security
Report property that contains a dwelling
Property Identifier

Information about property location

If...

Application ≠ Origination
Property Identifier

If... Application ≠ Origination

Report property used to secure the loan
Property Identifier

Information about property location

- Report property proposed to secure the loan
- Report physical location of property securing loan
Property Identifier

Information about property location

- Report property proposed to secure the loan
- Report physical location of property securing loan
- Information related to physical location
Property Identifier

- Information about property location
  - Report property proposed to secure the loan
  - Report physical location of property securing loan
  - Information related to physical location
  - Address
  - City
  - State Name
  - Zip code
Property Identifier

Address not known or provided

Property Address
Property Identifier

Property Address

Address not known or provided

Denied
Property Identifier

Address not known or provided

Denied
Withdrawn
Property Identifier

- Property Address
- Address not known or provided
  - Denied
  - Withdrawn
  - Incomplete
Property Identifier

- Address not known or provided
- Denied
- Withdrawn
- Incomplete

Reports not applicable
Mortgage Loan Originator Identifier

Report the mortgage loan originator’s unique identifier
Report the mortgage loan originator’s unique identifier

Assigned by the Nationwide Mortgage Licensing System and Registry
Mortgage Loan Originator Identifier

Report the mortgage loan originator’s unique identifier

Assigned by the Nationwide Mortgage Licensing System and Registry

NMLSR ID
Mortgage Loan Originator Identifier

NMLSR ID → Assigned to individuals
Mortgage Loan Originator Identifier

NMLSR ID ➔ Assigned to individuals

- Registered
- OR
- Licensed
Mortgage Loan Originator Identifier

NMLSR ID ➔ Assigned to individuals
Registered
OR
Licensed
National Mortgage Licensing System and Registry
Mortgage Loan Originator Identifier

If...

More than one mortgage loan originator
Mortgage Loan Originator Identifier

NMLSR ID
Mortgage Loan Originator Identifier

NMLSR ID

Primary responsibility for the transaction
Mortgage Loan Originator Identifier

If...

Mortgage loan originator
Mortgage Loan Originator Identifier

If...

- Assigned
- OR
- Required

Mortgage loan originator
Mortgage Loan Originator Identifier

If...

Mortgage loan originator

<table>
<thead>
<tr>
<th>Assigned</th>
<th>OR</th>
<th>Required</th>
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<tbody>
<tr>
<td>✗</td>
<td></td>
<td>✗</td>
</tr>
</tbody>
</table>

NMLSR ID
Mortgage Loan Originator Identifier

If...

- Assigned
- OR
- Required

Mortgage loan originator

= Not applicable

NMLSR ID
Applications

HMDA
Preapproval Requests
Preapproval Requests

Preapproval request → Applications under HMDA → Reportable
Preapproval Requests

Section 1003.4(a)(4)

Report if the application involves a request for preapproval of a home purchase loan under preapproval program.
Preapproval Requests

Section 1003.2(b)

An application that contains a request for a preapproval
Preapproval Requests

Section 1003.2(b)

An application that contains a request for a preapproval

Reviewed under a program with a comprehensive analysis of creditworthiness
Preapproval Requests

Section 1003.2(b)

An application that contains a request for a preapproval

Reviewed under a program with a comprehensive analysis of creditworthiness

Issues a written commitment to the applicant
Preapproval Requests

Section 1003.2(b)

Issues a written commitment to the applicant

May not be subject to conditions other than
Preapproval Requests

Section 1003.2(b)

Issues a written commitment to the applicant

May not be subject to conditions other than

Suitable property
Preapproval Requests

Section 1003.2(b)

Issues a written commitment to the applicant

May not be subject to conditions other than

Suitable property

No material change in creditworthiness
Preapproval Requests

Section 1003.2(b)

Issues a written commitment to the applicant

May not be subject to conditions other than

Suitable property

No material change in creditworthiness or financial condition
Preapproval Requests

Section 1003.2(b)

Issues a written commitment to the applicant

May not be subject to conditions other than

Suitable property

No material change in creditworthiness or financial condition

Limited conditions
Preapproval Requests

IF...

Application

Covered Loan

Request under a preapproval program
Preapproval Requests

IF...

- Application
- Covered Loan

→ Request under a preapproval program

Preapproval request
Preapproval Requests

IF...

Application
Covered Loan

Request under a preapproval program
Preapproval Requests

IF...

Application
Covered Loan

Request under a preapproval program

Application
Covered Loan

Preapproval request (regardless whether there is a program and the applicant did not apply through that program or the institution does not have a program)
Preapproval Requests

Transactions

Application

Covered Loan

Preapproval request
Preapproval Requests

Transactions

Application
Covered Loan

Preapproval request
Preapproval Requests

Transactions

1. Purchased covered loan

Preapproval request
Preapproval Requests

Transactions

1. Purchased covered loan
2. Open-end line of credit

Preapproval request
Preapproval Requests

1. Purchased covered loan
2. Open-end line of credit
3. Reverse mortgage

Transactions → Preapproval request
Preapproval Requests

1. Purchased covered loan
2. Open-end line of credit
3. Reverse mortgage
4. Denied application

Transactions ➔ Preapproval request
Preapproval Requests

Transactions

1. Purchased covered loan
2. Open-end line of credit
3. Reverse mortgage
4. Denied application

5. Closed for incompleteness
Preapproval Requests

Transactions

1. Purchased covered loan
2. Open-end line of credit
3. Reverse mortgage
4. Denied application

Preapproval request

5. Closed for incompleteness
6. Withdrawn application
Preapproval Requests

Transactions

1. Purchased covered loan
2. Open-end line of credit
3. Reverse mortgage
4. Denied application

Preapproval request

5. Closed for incompleteness
6. Withdrawn application
7. Application for other purposes
### Preapproval Requests

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<th>Transactions</th>
<th>Preapproval Request</th>
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<tr>
<td>1 Purchased covered loan</td>
<td>Closed for incompleteness</td>
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<tr>
<td>2 Open-end line of credit</td>
<td>Withdrawn application</td>
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<tr>
<td>3 Reverse mortgage</td>
<td>Application for other purposes</td>
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<tr>
<td>4 Denied application</td>
<td>Covered loan for multi-family dwelling</td>
</tr>
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</table>

- 5 Preapproval request
- 6 Withdrawn application
- 7 Application for other purposes
- 8 Covered loan for multi-family dwelling
Preapproval Requests

= Current HMDA reporters
Preapproval Requests

= 

Current HMDA reporters

Report a preapproval not requested

Distinction

Report requirement not applicable
Preapproval Requests

Report a preapproval not requested

Final HMDA Rule

Distinction

Report requirement not applicable
Preapproval Requests

Final HMDA Rule

Report a preapproval not requested

Application

Covered Loan

Report requirement not applicable

Request under a preapproval program
Preapproval Requests

Final HMDA Rule

Report a preapproval not requested

Application

Covered Loan

Request under a preapproval program

Report requirement not applicable
Application Date

① Application date

② Action taken date
Application Date

Section 1003.4(a)(1)(ii)

Date application received

Date shown on application
Application Date

Section 1003.4(a)(1)(ii)

Date application received
Date shown on application

Application = Oral or written request for a covered loan that is made with procedures used by a financial institution for the credit requested
Application Date

Section 1003.4(a)(1)(ii)

Required for all loans and applications

Application Date
Application Date

Section 1003.4(a)(1)(ii)

Application Date

Required for all loans and applications  ✔️

Purchased covered loans  ❌
Application Date

Comment 4(a)(1)(ii)

Date application received OR Date shown on application
Application Date

Comment 4(a)(1)(ii)

Date application received OR Date shown on application

Generally be consistent
Application Date

Not submitted directly to the financial institution
Application Date

Not submitted directly to the financial institution

Date the application was received

Date received by financial institution

Date shown on the application form
Action Taken Date

1. Application date

2. Action taken date

Section 1003.4(a)(8)(ii)
Action Taken Date

Comment 4(a)(8)(ii)

Loan originations
Action Taken Date

Comment 4(a)(8)(ii)

Date of closing or account opening

Loan originations
Action Taken Date

Comment 4(a)(8)(ii)

Funds disbursed later than closing or account opening
Action Taken Date

Comment 4(a)(8)(ii)

Date funds disbursed

Funds disbursed later than closing or account opening
Acquires application from another party

Comment 4(a)(8)(ii)
Action Taken Date

Comment 4(a)(8)(ii)

Date of closing or account opening

Acquires application from another party
Acquires application from another party

Comment 4(a)(8)(ii)

Date of closing or account opening

Date acquired from third party
Action Taken Date

Comment 4(a)(8)(ii)

Construction to permanent covered loans
Action Taken Date

Comment 1003.4(a)(8)(ii)

Date of closing or account opening

Construction to permanent covered loans
Action Taken Date

Comment 1003.4(a)(8)(ii)

Date of closing or account opening

Construction to permanent covered loans

Date the covered loan converts to permanent financing
Action Taken Date

Comment 4(a)(8)(ii)

Withdrawn applications
Action Taken Date

Comment 4(a)(8)(ii)

Withdrawn applications

Date express withdrawal received
Action Taken Date

Comment 4(a)(8)(ii)

Withdrawn applications

Date express withdrawal received

Date shown on the notification form

Consumer Financial Protection Bureau
Action Taken Date

Date action taken was taken

Denied applications and files closed for incompleteness

Comment 4(a)(8)(ii)
Action Taken Date

Comment 4(a)(8)(ii)

Date action was taken

Denied applications and files closed for incompleteness

Date notice was sent to applicant
Action Taken Date

Comment 4(a)(8)(ii)

Covered loan purchased by the financial institution
Action Taken Date

Comment 4(a)(8)(ii)

Covered loan purchased by the financial institution

Date of the purchase
Ethnicity, Race, and Sex

Section 1003.4(a)(10)(i)
Ethnicity, Race, and Sex

Section 1003.4(a)(10)(i)

Ethnicity | Race | Sex
Ethnicity, Race, and Sex

Section 1003.4(a)(10)(i)

Ethnicity  Race  Sex

Visual observation  OR  Surname
## Ethnicity, Race, and Sex

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<th>Appendix B</th>
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<th>Race</th>
<th>Sex</th>
<th>Questions</th>
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</table>

[Image of a building]
Ethnicity, Race, and Sex

Appendix B

Ethnicity Race Sex

Questions

Loan application forms OR Separate form that refers to application
Ethnicity, Race, and Sex

Appendix B 2015 HMDA Rule – Sample form

Loan application forms

OR

Separate form that refers to application
Ethnicity, Race, and Sex

Application

In person

OR

Phone

Mail

Internet
Ethnicity, Race, and Sex

Must ask but cannot require applicant to provide it
Ethnicity, Race, and Sex

Application

In person
Phone

OR

Mail
Internet

Information must be stated orally
Ethnicity, Race, and Sex

Application

In person

OR

Phone

Mail

Information must be stated orally

Appendix B 2015 HMDA Rule – Sample form
Ethnicity, Race, and Sex

Federal law requires
Ethnicity, Race, Sex
Collected to protect consumers
Ethnicity, Race, and Sex

Federal law requires

Ethnicity  Race  Sex

Collected to protect consumers

Prohibit discrimination on these bases
Ethnicity, Race, and Sex

Application

In person

Phone

Mail

Internet

OR

Does not provide the information

Visual observation

OR

Surname
Ethnicity, Race, and Sex

Application

In person
Phone

OR

Mail
Internet

Declines to answer these questions

Ethnicity
Race
Sex
Ethnicity, Race, and Sex

Application

In person

Phone

OR

Mail

Internet

Declines to answer these questions

Ethnicity

Race

Sex

“I do not wish to provide this information”
Ethnicity, Race, and Sex

Application
In person  OR  Mail
Phone  OR  Internet

Declines to provide the information
Ethnicity  OR  Race  OR  Sex

He or she does not wish to provide information
Ethnicity, Race, and Sex

Application

In person

Phone

Mail

Internet

“Information not provided by applicant in mail, internet, or telephone application”
Ethnicity, Race, and Sex

Application

In person  OR  Mail

Phone  OR  Internet

Does not provide the information

Ethnicity  Race  Sex
Ethnicity, Race, and Sex

Application

In person
Phone
Mail
Internet

OR

Does not provide the information

Ethnicity
Race
Sex

But...

“I do not wish to provide this information”
Ethnicity, Race, and Sex

1. Does not provide the information

2. Does not check the box “I do not wish to provide this information”

Applicant

Phone
Mail
Internet

In person
Ethnicity, Race, and Sex

1. Does not provide the information
2. Does not check the box “I do not wish to provide this information”
3. Request ethnicity, race, and sex
Ethnicity, Race, and Sex

Applicant

- In person
- Phone

OR

- Mail
- Internet

Does not provide the information
Ethnicity, Race, and Sex

Applicant
In person
OR
Phone
Mail
OR
Internet

Does not provide the information

Visual observation
OR
Surname
Ethnicity, Race, and Sex

 Application

 In person OR Phone

 Mail OR Internet

 Occurs after application process is complete
Ethnicity, Race, and Sex

Application

- In person
- Phone
- Mail
- Internet

Occurs after application process is complete

- Ethnicity
- Race
- Sex
Ethnicity, Race, and Sex

Application

In person  Mail

Phone  Internet

OR

Provides some information
Ethnicity, Race, and Sex

Application
- In person
- Phone
- Mail
- Internet

OR

Provides some information

Reports information provided
Ethnicity, Race, and Sex

Application

In person
Phone

OR

Mail
Internet

Provides some or all information

BUT

“I do not wish to provide this information”
Ethnicity, Race, and Sex

Application

In person
Phone

OR

Mail
Internet

Reports information provided by the applicant
Ethnicity, Race, and Sex

Application

In person

OR

Mail

Phone

Internet

Does not provide information
Ethnicity, Race, and Sex

Application

- In person
- Phone

OR

- Mail
- Internet

Does not provide information

Note this on the collection form
Ethnicity, Race, and Sex

Application

- In person
- Phone
- Mail
- Internet

OR

Does not provide information

- Visual observation
- Surname
Ethnicity, Race, and Sex

Electronic media with video component → In person
Ethnicity, Race, and Sex

- Electronic media with video component → In person
- Electronic media without video component → Mail
Ethnicity, Race, and Sex

Option to select more than one ethnicity or race
Ethnicity, Race, and Sex

Applicant

Hispanic ✓  Asian ✓  White ✓
Ethnicity, Race, and Sex

Ethnicity

- Hispanic or Latino
- Not Hispanic or Latino

AND
Ethnicity, Race, and Sex

- Ethnicity
  - Hispanic or Latino
    - AND
  - Not Hispanic or Latino
    - 1 Mexican
    - 2 Puerto Rican
    - 3 Cuban
    - 4 Other Hispanic or Latino
Ethnicity, Race, and Sex

Ethnicity category

Ethnicity subcategory
Ethnicity, Race, and Sex

Ethnicity

Hispanic or Latino

1. Mexican
2. Puerto Rican
3. Cuban
4. Other Hispanic or Latino

OR

Not Hispanic or Latino

Ethnicity subcategory not listed
Ethnicity, Race, and Sex

Other Hispanic or Latino

Additional information provided by the applicant
Ethnicity, Race, and Sex

Race

American Indian or Alaska Native
Asian
Black or African American
Native Hawaiian or Other Pacific Islander
White
Ethnicity, Race, and Sex

Race

- American Indian or Alaska Native
- Asian
- Black or African American
- Native Hawaiian or Other Pacific Islander
- White
Ethnicity, Race, and Sex

Race

Asian

Asian Indian

Chinese

Filipino

Japanese

Korean

Vietnamese

Other Asian
Ethnicity, Race, and Sex

Race

- American Indian or Alaska Native
- Asian
- Black or African American
- Native Hawaiian or Other Pacific Islander
- White
Ethnicity, Race, and Sex

Race

Native Hawaiian or Other Pacific Islander

Native Hawaiian
Guamanian or Chamorro

Samoan
Other Pacific Islander
Ethnicity, Race, and Sex
Ethnicity, Race, and Sex

Applicant

Other Asian or Other Pacific Islander → Ethnicity subcategory not listed
Ethnicity, Race, and Sex

Report selection as applicable up to five-race maximum

- Other Asian
- Other Pacific Islander

Additional information provided by the applicant
Ethnicity, Race, and Sex

No co-applicant → Report no co-applicant
Ethnicity, Race, and Sex

More than one co-applicant

Ethnicity  Race  Sex

First co-applicant on application form
Ethnicity, Race, and Sex

When do you **not** report?

- Ethnicity
- Race
- Sex
Ethnicity, Race, and Sex

When do you **not** report?

- Ethnicity (✗)
- Race (✗)
- Sex (✗)

Applicants or borrowers who are not natural persons
Ethnicity, Race, and Sex

When do you **not** report?

- Ethnicity
- Race
- Sex

Applicants or borrowers who are not natural persons

- Corporation
- Partnership
- Trust
Ethnicity, Race, and Sex

When do you **not** report?

- Ethnicity
- Race
- Sex

Applicants or borrowers who are not natural persons

- Corporation
- Partnership
- Trust

If covered loan of application includes a guarantor
Ethnicity, Race, and Sex

When do you not report?

- Ethnicity
- Race
- Sex

Purchased covered loans

Not applicable if financial institution chooses not to report
Ethnicity, Race, and Sex

Comment 4(a)(10)(i)

Received prior to January 1, 2018 AND Final action on application occurs on or after January 1, 2018
Ethnicity, Race, and Sex

Collects

Ethnicity   Race   Sex

In accordance with the requirements at the time the information was collected
Ethnicity, Race, and Sex

December 1, 2017

Application received

January 1, 2018
Ethnicity, Race, and Sex

December 1, 2017

January 1, 2018

Final action taken
Ethnicity, Race, and Sex

In accordance with the requirements in effect on December 1, 2017

Collects

Ethnicity  Race  Sex

Final action taken
Ethnicity, Race, and Sex

Applications received in 2017
Ethnicity, Race, and Sex

Collects

Ethnicity  Race  Sex

In accordance with the requirements at the time the information was collected
Ethnicity, Race, and Sex

Approval notice

January 1, 2017 – December 31, 2017
Ethnicity, Race, and Sex

Approval notice

January 1, 2017 — December 31, 2017

Permit applicants to self-identify

Disaggregated ethnic and racial categories

Appendix B 2015 HMDA Rule – Final rule
Ethnicity, Race, and Sex

2017

Application received

2018
Ethnicity, Race, and Sex

2017

Final action taken

2018
Ethnicity, Race, and Sex

Final action taken

Using aggregate codes listed in the Bureau’s filing instructions guide for data collected in 2017
Ethnicity, Race, and Sex

2017

Application received

2018
Ethnicity, Race, and Sex

2017

2018

Final action taken
Ethnicity, Race, and Sex

2017

Final action taken

2018

Report

Ethnicity

Race

Using the disaggregated categories
Ethnicity, Race, and Sex

2017

2018

Final action taken

Report

Ethnicity

Race

Transition rule in comment 4(a)(10)(i)-2
Ethnicity, Race, and Sex

2017

2018

Application received
Ethnicity, Race, and Sex

2017

Final action taken

2018

Report

Ethnicity

Race

Using the disaggregated categories
Ethnicity, Race, and Sex

2017

2018

Final action taken

Report

Ethnicity

Race

Visual observation OR Surname

Consumer Financial Protection Bureau
Ethnicity, Race, and Sex

Collection and Reporting of HMDA Information about Ethnicity and Race

This chart summarizes the options available to financial institutions to collect and report HMDA race and ethnicity information.

Current Regulation C, which implements HMDA, requires certain financial institutions to collect and report information about the ethnicity, race, and sex of applicants for mortgages. Regulation C is amended by the 2015 HMDA Final Rule, which generally requires financial institutions to permit applicants and their legal representatives to self identify using the disaggregated ethnicity and race categories provided in appendix E to Regulation C, as amended by the 2015 HMDA Final Rule.

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<tr>
<th>Application Year</th>
<th>Final Action Year</th>
<th>Ethnicity and Race Collection and Reporting Requirements</th>
<th>Regulatory References</th>
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<tr>
<td>2017</td>
<td>2017</td>
<td>Collect aggregate and report aggregate, OR</td>
<td>Current Regulation C (12 CFR part 1003, appendices A and B)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Collect disaggregated and report aggregate</td>
<td>Bureau Official Approval Notice (81 FR 66530)</td>
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</table>

Only an applicant may self identify using the disaggregated ethnicity and race categories. When a financial institution collects ethnicity, race, and sex on the basis of visual observation or surname for an application taken in person because the applicant chose not to provide the information, the financial institution must select from the aggregate categories.

Current Regulation C requires that the financial institution note the ethnicity, race, and sex on the basis of visual observation or surname when the applicant does not provide the information and the application was made in person, but the financial institution is not required to report that ethnicity, race, and sex were collected on the basis of visual observation.

This chart provides an overview of the ethnicity and race collection and reporting requirements under HMDA. Regulation C and the Bureau's official approval notices are not intended to be a complete or comprehensive set of requirements for the implementation or enforcement of the rules. The information is intended only as a reference and not as a substitute for the regulations or other commentary. Always consult the regulations and other commentary for a complete understanding of the law. Version as of 1/1/2017

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<td>Age</td>
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Age

Section 1003.4(a)(10)(ii)

Report the applicant’s age
Age

Comment 4(a)(10)(ii)

Age = # of whole years based on date of birth as of application date
Age

If... Co-applicant

Comment 4(a)(10)(ii)-2

Report no co-applicant
Age

If...

More than one co-applicant

Comment 4(a)(10)(ii)-2

Report age for first co-applicant on application form
Age

Comment 4(a)(10)(ii)

Reports Not Applicable for age
The covered loan was purchased and institution chose not to report age.
Age

Comment 4(a)(10)(ii)

Reports Not Applicable for age

1. The covered loan was purchased and institution chose not to report age
2. The applicant is not a natural person

Corporation  Partnership  Trust
Age

Comment 4(a)(10)(ii)
Reports Not Applicable for age

1. The covered loan was purchased and institution chose not to report age

2. The applicant is not a natural person

Corporation  Partnership  Trust

Do not report guarantor’s age
Credit Score

Section 1003.4(a)(15)

Report the credit score(s) relied on in making credit decision
Credit Score

Section 1003.4(a)(15)

Report the credit score(s) relied on in making credit decision

Report the name and version of the scoring model used for credit score
Credit Score

Section 1003.4(a)(15)

Report the credit score(s) relied on in making credit decision

Report the name and version of the scoring model used for credit score

What does “relied on” mean?
Credit Score

Comment 4(a)(15)-1

Relies on a credit scores in making the credit decision

If...

Credit score was a factor in the credit decision

Even if...

Credit score was not a dispositive factor
Credit Score

Credit score
Other factor
Other factor
Other factor

Credit Decision
Credit Score

“Relied on” credit score to make credit decision
Credit Score

“Relied on” credit score to make credit decision

Even if application denied due to underwriting factor other than credit score
Credit Score

What happens if the financial institution obtains or creates two or more credit scores for a single applicant or borrower?
Credit Score

Comment 4(a)(15)-2

Obtained two or more credit scores for a single applicant or borrower, but relied only on one score in making the credit decision

Reports credit score it “relied on” in making the credit decision and information about the scoring model used
Credit Score

What happens if the financial institution obtains or creates two or more credit scores for a single applicant or borrower but relies on multiple credit scores in making the credit decision?
Credit Score

Comment 4(a)(15)-2

Obtained two or more credit scores for a single applicant or borrower, but relied on multiple scores in making the credit decision

Report one of the credit score(s) relied on in making the credit decision
Credit Score

In choosing which credit to report

Need not use the same approach for entire HMDA submission

But general consistency
Credit Score

Report the name and version of the credit scoring model for the score reported
Credit Score

What does a financial institution report if there are two or more applicants or borrowers for which it obtained or created a single credit score and it “relied on” it?
Credit Score

Comment 4(a)(15)-3

Reports credit score for either applicant

OR

Reports credit score for first co-applicant
Credit Score

Reports the credit score(s) for the applicant that it relied on in making credit decision, if any
Credit Score

Reports the credit score(s) for the applicant that it relied on in making credit decision, if any

AND

the credit score for the first co-applicant that it relied on in making the credit decision, if any
Credit Score

What circumstance would a financial institution report Not Applicable for credit score information?
Credit Score

What circumstance would a financial institution report Not Applicable for credit score information?

1. File closed for incompleteness or withdrawn before credit decision, even if the financial institution obtained or created a credit score.
Credit Score

What circumstance would a financial institution report Not Applicable for credit score information?

1. File closed for incompleteness or withdrawn before credit decision, even if the financial institution obtained or created a credit score

2. Financial institution did not rely on a credit score
## Credit Score

<table>
<thead>
<tr>
<th>What circumstance would a financial institution report Not Applicable for credit score information?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. File closed for incompleteness or withdrawn before credit decision, even if the financial institution obtained or created a credit score</td>
</tr>
<tr>
<td>2. Financial institution did not rely on a credit score</td>
</tr>
<tr>
<td>3. Covered loan was purchased by financial institution</td>
</tr>
</tbody>
</table>
## Credit Score

What circumstance would a financial institution report Not Applicable for credit score information?

1. File closed for incompleteness or withdrawn before credit decision, even if the financial institution obtained or created a credit score
2. Financial institution did not rely on a credit score
3. Covered loan was purchased by financial institution
4. Applicant and co-applicant, if applicable, are not natural persons
Section 1003.4(a)(10)(iii)

Report the gross annual income relied on in making the credit decision

OR

If a credit decision was not made, the gross annual income relied on in processing the application

Report income to the nearest thousand
Income

What does “relied on” mean?

Income evaluated as part of a credit decision

Report the gross annual income it 
relied on in making the credit decision
Income

"Relies on" applicant’s salary and bonus for creditworthiness
Income

“Relies on” applicant’s salary and bonus for creditworthiness

Report the salary and bonus
“Relies on” a portion of the gross annual income for credit decision
Income

“Relies on” a portion of the gross annual income for credit decision

Report only the portion of the income “relied on”
Income

Applicant $ + Co-applicant $
Income

“Relies on” only one of the incomes for creditworthiness
Income

Applicant $ + Co-applicant $

“Relies on” only one of the incomes for creditworthiness

Report only the income “relied on”
What if an application is withdrawn before a credit decision?
Income

Report the income “relied on” in processing the application at the time the application was withdrawn or file closed for incompleteness.
Income

Does not include amount in addition to income

Annuitized assets or depletion of applicant’s remaining assets
Income

Comment 4(a)(10)(iii)

Reports “Not Applicable” for the income data point
Income

Comment 4(a)(10)(iii)

Reports “Not Applicable” for the income data point

1 Income is not required to be considered
Income

Comment 4(a)(10)(iii)

Reports “Not Applicable” for the income data point

1. Income is not required to be considered

2. The applicant or co-applicant is not a natural person
Income

1. Income is not required to be considered
2. The applicant or co-applicant is not a natural person

- Corporation
- Partnership
- Trust

Comment 4(a)(10)(iii)
Reports “Not Applicable” for the income data point
Income

1. Income is not required to be considered

2. The applicant or co-applicant is not a natural person

Comment 4(a)(10)(iii)

Reports “Not Applicable” for the income data point

Corporation  Partnership  Trust
Income

Comment 4(a)(10)(iii)
Reports “Not Applicable” for the income data point

Covered loan or application is secured by a multifamily dwelling

3
Income

Comment 4(a)(10)(iii)
Reports “Not Applicable” for the income data point

Covered loan or application is secured by a multifamily dwelling

Covered loan is a purchased loan and the financial institution chose not to report income
Comment 4(a)(10)(iii)

Reports “Not Applicable” for the income data point

3 Covered loan or application is secured by a multifamily dwelling

4 Covered loan is a purchased loan and the financial institution chose not to report income

5 Applicant or borrower is the financial institution’s employee
Debt-to-Income Ratio (DTI)

Section 1003.4(a)(23)

Report the DTI of the applicant or borrower if “relied on” in making credit decision
Debt-to-Income Ratio (DTI)

DTI → Total monthly debt / Total monthly income
Debt-to-Income Ratio (DTI)

Comment 4(a)(23)

“Relies on” the applicants DTI in making credit decision if it was a factor in credit decision

Even if...

It was not a dispositive factor
Debt-to-Income Ratio (DTI)

DTI → One of multiple factors considered
Debt-to-Income Ratio (DTI)

One of multiple factors considered

- Relied on it
- Reports it

Even if application denied based on factor other than DTI
Debt-to-Income Ratio (DTI)

Section 1003.4(a)(23)

Reports “Not Applicable” for DTI
# Debt-to-Income Ratio (DTI)

<table>
<thead>
<tr>
<th>Comment 4(a)(23)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reports “Not Applicable” for DTI</td>
</tr>
</tbody>
</table>

1. Credit decision was made without relying on DTI
Debt-to-Income Ratio (DTI)

Comment 4(a)(23)

Reports “Not Applicable” for DTI

1. Credit decision was made without relying on DTI

2. File closed for incompleteness or application withdrawn before credit decision, even if DTI was calculated
Debt-to-Income Ratio (DTI)

Comment 4(a)(23)

Reports “Not Applicable” for DTI

1. Credit decision was made without relying on DTI

2. File closed for incompleteness or application withdrawn before credit decision, even if DTI was calculated

3. The applicant and co-applicant, if applicable, are not natural persons
Debt-to-Income Ratio (DTI)

Comment 4(a)(23)
Reports “Not Applicable” for DTI

The covered loan or application is secured by a multifamily dwelling
Debt-to-Income Ratio (DTI)

Report “Not Applicable” for DTI

4. The covered loan or application is secured by a multifamily dwelling

5. The covered loan is a purchased loan

Comment 4(a)(23)
<table>
<thead>
<tr>
<th>HMDA</th>
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<tbody>
<tr>
<td>Combined loan-to-value ratio</td>
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</tbody>
</table>
Combined Loan-to-Value Ratio (CLTV)

Section 1003.4(a)(24)

Report the ratio of the total amount of debt secured by the property to the value of the property relied on in making the credit decision.
Combined Loan-to-Value Ratio (CLTV)

- **CLTV**: Total amount of debt secured by property / Value of the property

- CLTV “relied on” in making credit decision

**Image Credits**: Consumer Financial Protection Bureau
Combined Loan-to-Value Ratio (CLTV)

Comment 4(a)(24)

“Relies on” the CLTV in making credit decision if the CLTV was a factor in credit decision

Even if...

It was not a dispositive factor
Combined Loan-to-Value Ratio (CLTV)

One of multiple factors considered
Combined Loan-to-Value Ratio (CLTV)

CLTV

One of multiple factors considered

- Relied on it
- Reports it

Even if application denied based on factor other than CLTV
Combined Loan-to-Value Ratio (CLTV)

Comment 4(a)(24)

Reports “Not Applicable” for CLTV
Credit decision was made without relying on CLTV

Comment 4(a)(24)

Reports “Not Applicable” for CLTV

1 Credit decision was made without relying on CLTV
Combined Loan-to-Value Ratio (CLTV)

1. Credit decision was made without relying on CLTV
2. File closed for incompleteness or application withdrawn before credit decision, even if CLTV was calculated

Comment 4(a)(24):
Reports “Not Applicable” for CLTV
Combined Loan-to-Value Ratio (CLTV)

1. Credit decision was made without relying on CLTV
2. File closed for incompleteness or application withdrawn before credit decision, even if CLTV was calculated
3. The covered loan is a purchased loan

Comment 4(a)(24)
Reports “Not Applicable” for CLTV
Application Channel

Section 4(a)(33)(i) and (ii)
Application Channel

Section 4(a)(33)(i) and (ii)

Report if application was submitted directly to the financial institution

AND

Report whether the obligation was or would have been initially payable to the financial institution
Application Channel

Scenario 1
Application Channel

Scenario 1

IF
Application Channel

Scenario 1

IF

Mortgage loan originator was employee of financial institution at the time activities were performed
Application Channel

Scenario 2
Application Channel

Scenario 2

IF

Directed applicant to third-party agent
Application Channel

Scenario 2

Performed activities on behalf of the financial institution and did not assist applicant with applying with other institutions

Directed applicant to third-party agent

IF
Application Channel

When is an application not submitted directly to the institution?
Application Channel

Example
Application Channel

Example

Applicant

Broker or Correspondent
Application Channel

Example

Applicant → Broker or Correspondent
Application Channel

Obligation initially payable to financial institution
Application Channel

Obligation initially payable to financial institution

IF...
Payable on the face of the note or contract to financial institution that is reporting
Application Channel

Section 1003.4(a)(33) and Comment 4(a)(33)(ii)

Reports “Not Applicable” for application channel data point
Application was withdrawn, denied, or closed for incompleteness, if the financial institution had not determined if loan would have been initially payable to financial institution.
Application Channel

Section 1003.4(a)(33) and Comment 4(a)(33)(ii)

Reports “Not Applicable” for application channel data point

1 Application was withdrawn, denied, or closed for incompleteness, if the financial institution had not determined if loan would have been initially payable to financial institution

2 The covered loan is a purchased loan
Automated Underwriting Systems (AUS)

Section 4(a)(35)(i)

Report the name of the AUS used in evaluating the application and the result generated by AUS
Automated Underwriting Systems (AUS)

Section 4(a)(35)(ii)

AUS is an electronic tool developed by...

Securitizer
Automated Underwriting Systems (AUS)

Section 4(a)(35)(ii)

AUS is an electronic tool developed by...

- Securitizer
- Federal government insurer
Automated Underwriting Systems (AUS)

Section 4(a)(35)(ii)

AUS is an electronic tool developed by...

- Securitizer
- Federal government insurer
- Federal government guarantor
Automated Underwriting Systems (AUS)

Section 4(a)(35)(ii)

AUS is an electronic tool developed by...

- Securitizer
- Federal government insurer
- Federal government guarantor

Credit risk of applicant AND Covered loan is eligible
Automated Underwriting Systems (AUS)
Automated Underwriting Systems (AUS)

System $\rightarrow$ Result

Credit risk of applicant
Covered loan is eligible
Automated Underwriting Systems (AUS)

System → Result

- Credit risk of applicant
- Covered loan is eligible

- Originated
- Purchased
- Insured
- Guaranteed
Automated Underwriting Systems (AUS)

System → Result

Credit risk of applicant
Covered loan is eligible

Originated  Purchased  Insured  Guaranteed
Securitizer  Federal government insurer  Federal government guarantor
Automated Underwriting Systems (AUS)

System → Result

Credit risk of applicant

Covered loan is eligible
Automated Underwriting Systems (AUS)

System → Result

- Credit risk of applicant
- Covered loan is eligible

Not an AUS
Automated Underwriting Systems (AUS)
Automated Underwriting Systems (AUS)
Automated Underwriting Systems (AUS)

Used more than one AUS

OR

Used one AUS with multiple results
Automated Underwriting Systems (AUS)

- Used more than one AUS
- OR
- Used one AUS with multiple results

Determine which AUS(s) and result(s) to report
Automated Underwriting Systems (AUS)

Comment 4(a)(35)

Determine which AUS(s) and result(s) to report
Automated Underwriting Systems (AUS)

1. Determine if AUS used to evaluate application matches loan type it reported

Comment 4(a)(35)

Determine which AUS(s) and result(s) to report
Automated Underwriting Systems (AUS)

Comment 4(a)(35)

Determine which AUS(s) and result(s) to report

1. Determine if AUS used to evaluate application matches loan type it reported

2. If AUS matches loan type, determine if the result was obtained from one AUS
Automated Underwriting Systems (AUS)

Comment 4(a)(35)

Determine which AUS(s) and result(s) to report

1. Determine if AUS used to evaluate application matches loan type it reported

2. If AUS matches loan type, determine if the result was obtained from one AUS

Report AUS that matches the loan type

Report result obtained from AUS
Automated Underwriting Systems (AUS)

Comment 4(a)(35)

Determine which AUS(s) and result(s) to report

If AUS does not match loan type or if more than one result matches loan type, determine whether AUS matches purchaser, insurer, or guarantor for covered loan
Automated Underwriting Systems (AUS)

If AUS matches purchaser, insurer, or guarantor, determine whether only one result was obtained from that AUS

Comment 4(a)(35)

Determine which AUS(s) and result(s) to report
Automated Underwriting Systems (AUS)

Comment 4(a)(35)

Determine which AUS(s) and result(s) to report

If AUS matches purchaser, insurer, or guarantor, determine whether only one result was obtained from that AUS

Report AUS that matches the purchaser, insurer, or guarantor

Report result obtained from that AUS
Automated Underwriting Systems (AUS)

Comment 4(a)(35)

Determine which AUS(s) and result(s) to report

If no AUS was used that matches purchaser, insurer, or guarantor, or if multiple results were obtained from an AUS that matches purchaser, insurer, or guarantor or loan type

5
Automated Underwriting Systems (AUS)

Comment 4(a)(35)

Determine which AUS(s) and result(s) to report

If no AUS was used that matches purchaser, insurer, or guarantor, or if multiple results were obtained from an AUS that matches purchaser, insurer, or guarantor or loan type

5

Report result generated closest in time to credit decision

Report AUS that generated that result
Automated Underwriting Systems (AUS)

Comment 4(a)(35)

Determine which AUS(s) and result(s) to report

6 If multiple results were obtained at the same time
Automated Underwriting Systems (AUS)

Comment 4(a)(35)

Determine which AUS(s) and result(s) to report

If multiple results were obtained at the same time

Report the name of all AUS(s) used

Report results from each of those systems

Do not report more than a total of five AUS(s) and results
Reports “Not Applicable” for AUS data point

Comment 4(a)(35)
Automated Underwriting Systems (AUS)

Comment 4(a)(35)
Reports “Not Applicable” for AUS data point

1. Did not use AUS to evaluate application
Automated Underwriting Systems (AUS)

Comment 4(a)(35)

Reports “Not Applicable” for AUS data point

1. Did not use AUS to evaluate application

2. Applicants are not natural persons
Automated Underwriting Systems (AUS)

1. Did not use AUS to evaluate application
2. Applicants are not natural persons
3. The covered loan is a purchased loan

Comment 4(a)(35)
Reports “Not Applicable” for AUS data point
Closing

Home Mortgage Disclosure Act (HMDA)
For more information

CFPB Website
http://www.consumerfinance.gov/policy-compliance/guidance/implementation-guidance/

FIG
www.consumerfinance.gov/hmda/for-filers
Submit specific regulatory questions

CFPB_RegInquiries@cfpb.gov
202-435-7700

Technical questions:

hmdahelp@cfpb.gov
Thank you