

Bureau of Consumer Financial Protection  
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# Executive Summary of the HMDA Data Disclosure Policy Guidance

On December 21, 2018, the Bureau of Consumer Financial Protection (Bureau) issued final policy guidance (Policy Guidance) describing modifications the Bureau intends to apply to the Home Mortgage Disclosure Act (HMDA) data reported by financial institutions under HMDA and Regulation C before the data are made available to the public on the loan level. The Policy Guidance applies to HMDA data compiled by financial institutions in or after 2018 that will be made available to the public beginning in 2019.<sup>1</sup> The Policy Guidance imposes no obligations on financial institutions or the public.

This executive summary provides an overview of the Policy Guidance, but is not a substitute for reviewing the Policy Guidance itself.

## Background Information

HMDA is implemented by Regulation C, 12 CFR part 1003, and requires certain institutions to collect, report, and disclose specified information about their mortgage lending activity.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) expanded the scope of information relating to mortgage applications and loans that must be collected,

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<sup>1</sup> The Bureau intends to commence a separate notice-and-comment rulemaking in 2019 concerning the public disclosure of loan-level HMDA data in future years.

reported, and disclosed under HMDA. In October 2015, the Bureau issued a final rule amending Regulation C (2015 HMDA Final Rule) to implement the Dodd-Frank Act amendments to HMDA and make other changes, including adding new data points.<sup>2</sup> Most provisions of the 2015 HMDA Final Rule took effect on January 1, 2018, and apply to data that financial institutions collect beginning in 2018 and report beginning in 2019.<sup>3</sup>

The Bureau interpreted HMDA, as amended by the Dodd-Frank Act, to require that the Bureau use a balancing test to determine whether and how HMDA data should be modified prior to its disclosure to the public in order to protect applicant and borrower privacy while also fulfilling HMDA's public disclosure purposes. On September 25, 2017, the Bureau issued proposed policy guidance describing the balancing test and how the Bureau proposed to apply it to the loan-level HMDA data made available to the public beginning in 2019, with respect to data compiled by lenders in or after 2018.<sup>4</sup>

## Balancing Test

In the 2015 HMDA Final Rule, the Bureau interpreted HMDA to require that public HMDA data be modified when the disclosure of the unmodified data creates risks to applicant and borrower privacy that are not justified by the benefits of such disclosure to the public in light of HMDA's purposes. If these benefits do not justify the privacy risks that public disclosure of the data would create, the balancing test requires the Bureau to modify the dataset to appropriately balance the privacy risk and disclosure benefits. In the Bureau's determination, the

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<sup>2</sup> 80 FR 66128 (Oct. 28, 2015); see also 80 FR 69567 (Nov. 10, 2015) (making technical corrections).

<sup>3</sup> On May 24, 2018, the President signed into law the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA), which amended HMDA by adding partial exemptions from HMDA's data collection and reporting requirements for certain depository institutions and insured credit unions. On September 17, 2018, the Bureau issued an interpretive and procedural rule to implement and clarify changes made to HMDA by the EGRRCPA. The Bureau clarified that institutions covered by a partial exemption have the option of reporting exempt data points as long as they report all data fields that the specific data point comprises and also clarified which of the data points in Regulation C are covered by the partial exemptions.

<sup>4</sup> 82 FR 44586 (Sept. 25, 2017).

modifications described in the Policy Guidance will reduce risks to applicant and borrower privacy and appropriately balance them with the benefits of disclosure in light of HMDA's purposes.

## Disclosure of Loan-level HMDA Data

The Policy Guidance describes the data the Bureau intends to disclose on each financial institution's modified loan/application register and in the combined loan-level data the agencies make available to the public.<sup>5</sup> The Bureau intends to publicly disclose the loan-level data reported by financial institutions with the following modifications:

1. Exclude from the public loan-level HMDA data:
  - a. Universal loan identifier or non-universal loan-identifier
  - b. Application date
  - c. Action taken date
  - d. Property address
  - e. Credit score relied on in making the credit decision
  - f. Mortgage loan originator NMLSR identifier
  - g. Result generated by the automated underwriting system
  - h. Free-form text fields for: race, ethnicity, name and version of credit scoring model, reason for denial, and name of the automated underwriting system.
2. Reduce the precision of most of the values reported for the following:
  - a. Loan amount
  - b. Age
  - c. Debt-to-income ratio
  - d. Property value
  - e. Total units
  - f. Multifamily affordable units

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<sup>5</sup> See Attachment for a chart of the data points and how each will be treated specifically under the Policy Guidance.

**ATTACHMENT: PUBLIC DISCLOSURE OF HMDA LOAN-LEVEL DATA**

<b>Data point</b>	<b>Regulation C references</b>	<b>Treatment Under Policy Guidance</b>	<b>Modification (if applicable)</b>
Legal Entity Identifier (LEI)	<a href="#">§.1003.4(a)(1)(i)(A)</a>	Disclose without modification	N/A
Universal Loan Identifier (ULI) or Non-Universal Loan Identifier (NULI)	<a href="#">§.1003.4(a)(1)(i)</a>	Modify	Exclude from disclosure
Application Date	<a href="#">§.1003.4(a)(1)(ii)</a>	Modify	Exclude from disclosure
Loan Type	<a href="#">§.1003.4(a)(2)</a>	Disclose without modification	N/A
Loan Purpose	<a href="#">§.1003.4(a)(3)</a>	Disclose without modification	N/A
Preapproval	<a href="#">§.1003.4(a)(4)</a>	Disclose without modification	N/A
Construction Method	<a href="#">§.1003.4(a)(5)</a>	Disclose without modification	N/A
Occupancy Type	<a href="#">§.1003.4(a)(6)</a>	Disclose without modification	N/A
Loan Amount	<a href="#">§.1003.4(a)(7)</a>	Modify	<p>a. Disclose the midpoint for the \$10,000 interval into which the reported value falls, e.g., for a reported value of \$117,834, disclose \$115,000 as the midpoint between values equal to \$110,000 and less than \$120,000; and</p> <p>b. Indicate whether the reported loan amount exceeds the GSE conforming loan limit</p>
Action Taken	<a href="#">§.1003.4(a)(8)(i)</a>	Disclose without modification	N/A
Action Taken Date	<a href="#">§.1003.4(a)(8)(ii)</a>	Modify	Exclude from disclosure
Property Address	<a href="#">§.1003.4(a)(9)(i)</a>	Modify	Exclude from disclosure
Property Location (state, county, census tract)	<a href="#">§.1003.4(a)(9)(ii)</a>	Disclose without modification	N/A

<b>Data point</b>	<b>Regulation C references</b>	<b>Treatment Under Policy Guidance</b>	<b>Modification (if applicable)</b>
Ethnicity	<a href="#">§.1003.4(a)(10)(i)</a>	Modify certain values	Exclude free-form text fields, otherwise disclose without modification
Race	<a href="#">§.1003.4(a)(10)(i)</a>	Modify certain values	Exclude free-form text fields, otherwise disclose without modification
Sex	<a href="#">§.1003.4(a)(10)(i)</a>	Disclose without modification	N/A
Age	<a href="#">§.1003.4(a)(10)(ii)</a>	Modify	<p>a. Bin reported values into the following ranges: 25 to 34; 35 to 44; 45 to 54; 55 to 64; and 65 to 74*;</p> <p>b. Bottom-code reported values under 25*;</p> <p>c. Top-code reported values over 74*; and</p> <p>d. Indicate whether the reported value is 62 or higher</p>
Income	<a href="#">§.1003.4(a)(10)(iii)</a>	Disclose without modification	N/A
Type of Purchaser	<a href="#">§.1003.4(a)(11)</a>	Disclose without modification	N/A
Rate Spread	<a href="#">§.1003.4(a)(12)</a>	Disclose without modification	N/A
HOEPA Status	<a href="#">§.1003.4(a)(13)</a>	Disclose without modification	N/A
Lien Status	<a href="#">§.1003.4(a)(14)</a>	Disclose without modification	N/A
Credit Score	<a href="#">§.1003.4(a)(15)</a>	Modify certain values	<p>CREDIT SCORE RELIED ON: Exclude from disclosure</p> <p>NAME AND VERSION OF CREDIT SCORING MODEL: Exclude free-form text field, otherwise disclose without modification</p>

<b>Data point</b>	<b>Regulation C references</b>	<b>Treatment Under Policy Guidance</b>	<b>Modification (if applicable)</b>
Reason for Denial	<a href="#">§.1003.4(a)(16)</a>	Modify certain values	Exclude free-form text field, otherwise disclose without modification
Total Loan Costs or Total Points and Fees	<a href="#">§.1003.4(a)(17)</a>	Disclose without modification	N/A
Origination Charges	<a href="#">§.1003.4(a)(18)</a>	Disclose without modification	N/A
Discount Points	<a href="#">§.1003.4(a)(19)</a>	Disclose without modification	N/A
Lender Credits	<a href="#">§.1003.4(a)(20)</a>	Disclose without modification	N/A
Interest Rate	<a href="#">§.1003.4(a)(21)</a>	Disclose without modification	N/A
Prepayment Penalty Term	<a href="#">§.1003.4(a)(22)</a>	Disclose without modification	N/A
Debt-to-Income Ratio	<a href="#">§.1003.4(a)(23)</a>	Modify certain values	<p>a. Bin reported values into the following ranges, as applicable: 20 percent to less than 30 percent; 30 percent to less than 36 percent; and 50 percent to less than 60 percent*;</p> <p>b. Bottom-code reported values under 20 percent*;</p> <p>c. Top-code reported values of 60 percent or higher*; and</p> <p>d. Disclose, without modification, reported values greater than or equal to 36 percent and less than 50 percent</p>
Combined Loan-to-Value Ratio	<a href="#">§.1003.4(a)(24)</a>	Disclose without modification	N/A
Loan Term	<a href="#">§.1003.4(a)(25)</a>	Disclose without modification	N/A
Introductory Rate Period	<a href="#">§.1003.4(a)(26)</a>	Disclose without modification	N/A
Non-Amortizing Features	<a href="#">§.1003.4(a)(27)</a>	Disclose without modification	N/A

<b>Data point</b>	<b>Regulation C references</b>	<b>Treatment Under Policy Guidance</b>	<b>Modification (if applicable)</b>
Property Value	<a href="#">§.1003.4(a)(28)</a>	Modify	Disclose the midpoint for the \$10,000 interval into which the reported value falls, e.g., for a reported value of \$117,834, disclose \$115,000 as the midpoint between values equal to \$110,000 and less than \$120,000
Manufactured Home Secured Property Type	<a href="#">§.1003.4(a)(29)</a>	Disclose without modification	N/A
Manufactured Home Land Property Interest	<a href="#">§.1003.4(a)(30)</a>	Disclose without modification	N/A
Total Units	<a href="#">§.1003.4(a)(31)</a>	Modify certain values	<p>a. Bin reported values into the following ranges, as applicable: 5 to 24; 25 to 49; 50 to 99; and 100 to 149*;</p> <p>b. Top-code reported values over 149*; and</p> <p>c. Disclose, without modification, reported values below 5</p>
Multifamily Affordable Units	<a href="#">§.1003.4(a)(32)</a>	Modify	Disclose reported values as a percentage, rounded to the nearest whole number, of the value reported for Total Units, i.e., pursuant to 12 CFR 1003.4(a)(31)
Application Channel (Submission of Application and Initially Payable to Your Institution)	<a href="#">§.1003.4(a)(33)</a>	Disclose without modification	N/A
Mortgage Loan Originator NMLSR Identifier	<a href="#">§.1003.4(a)(34)</a>	Modify	Exclude from disclosure

<b>Data point</b>	<b>Regulation C references</b>	<b>Treatment Under Policy Guidance</b>	<b>Modification (if applicable)</b>
Automated Underwriting System (AUS)	<a href="#">§ 1003.4(a)(35)</a>	Modify certain values	AUS RESULT: Exclude from disclosure  AUS NAME: Exclude free-form text field, otherwise disclose without modification
Reverse Mortgage	<a href="#">§ 1003.4(a)(36)</a>	Disclose without modification	N/A
Open-End Line of Credit	<a href="#">§ 1003.4(a)(37)</a>	Disclose without modification	N/A
Business or Commercial Purpose	<a href="#">§ 1003.4(a)(38)</a>	Disclose without modification	N/A

\*Binning, sometimes known as recoding or interval recoding, allows data to be shown clustered into ranges rather than as precise values. Top- and bottom-coding mask any value that is above or below a certain threshold. Where values are top-coded, for example, this means that actual values above the defined threshold will be masked by being grouped together.