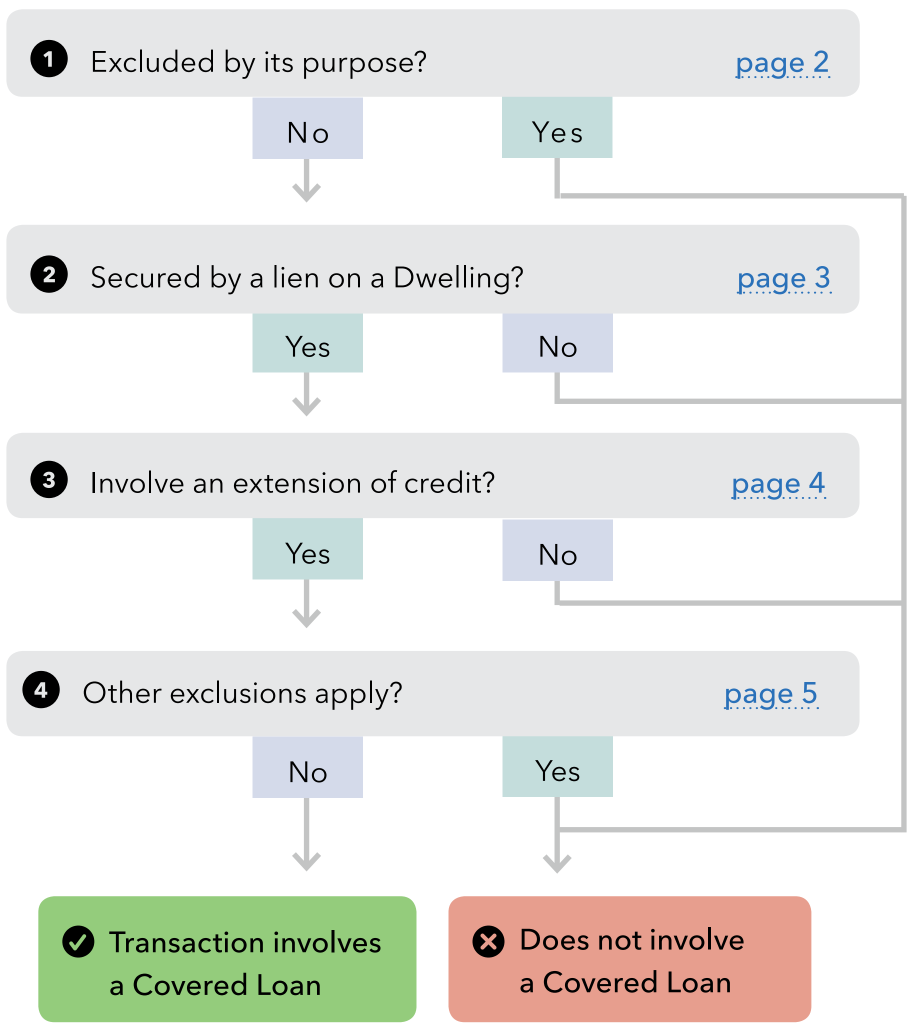
HMDA transactional coverage

Consumer Financial Protection Bureau

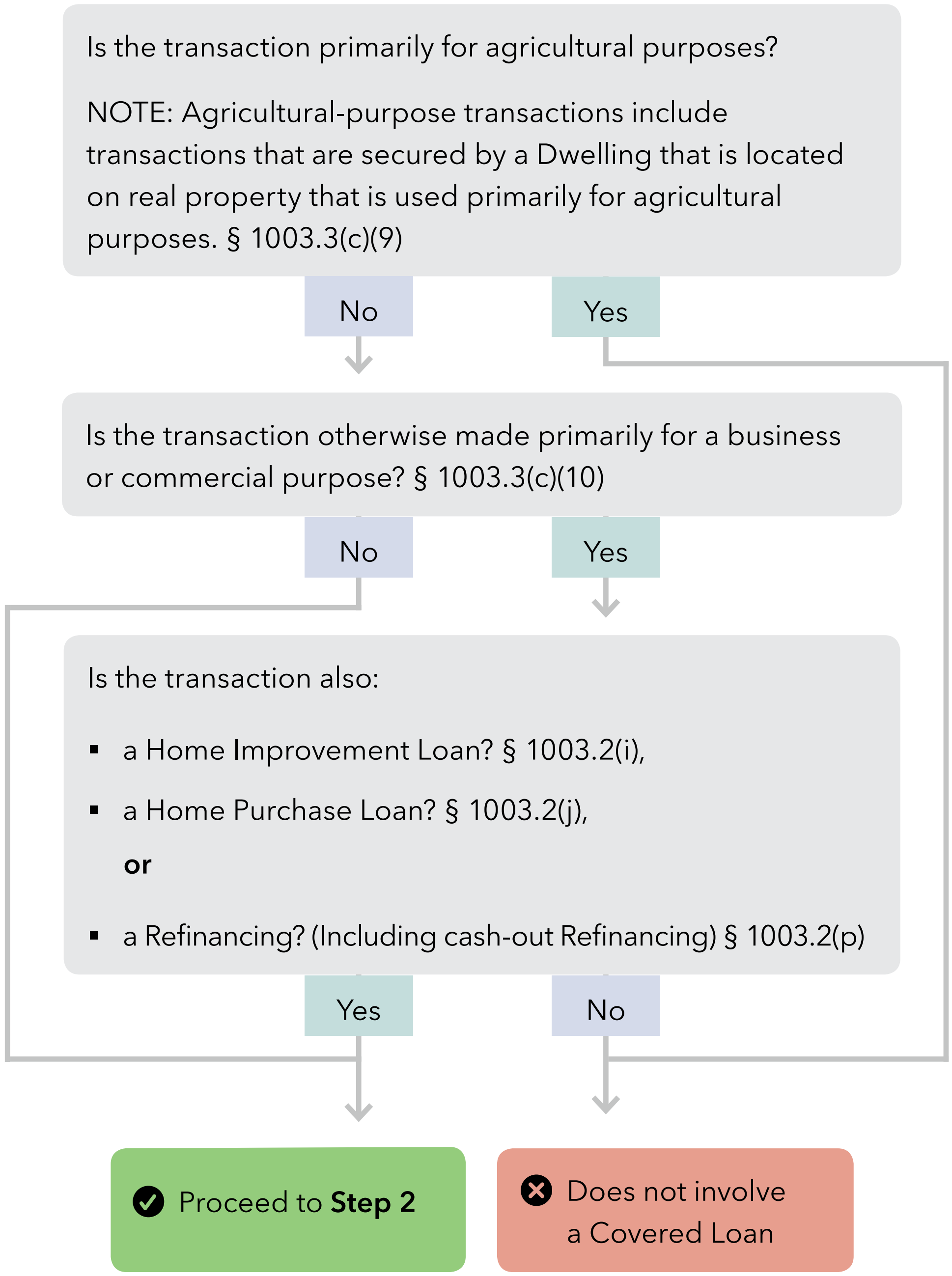
Effective July 1, 2020, through December 31, 2021

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

Does the transaction involve a Covered Loan?



1 Is the transaction excluded by its purpose?



2 Is the transaction secured by a lien on a Dwelling?[1]

Is the transaction secured by a lien on a Dwelling?[1]

Yes → Proceed to **Step 3**

No → Does not involve a Covered Loan

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

Single family structures	**Multifamily structures**	**Mixed-use purposes**
Dwelling	Dwelling	Dwelling
▪ Principal residences ▪ Second homes ▪ Vacation homes ▪ Manufactured Homes or other factory built homes ▪ Investment properties ▪ Individual condominium units ▪ Detached homes ▪ Individual cooperative units	▪ Apartment buildings or complexes ▪ Manufactured home communities ▪ Condominium buildings or complexes ▪ Cooperative buildings or complexes	▪ Mixed-use property if primary use is residential ▪ Properties for long-term housing and related services (such as assisted living for senior citizens or supportive housing for people with disabilities) ▪ Properties for long-term housing and medical care if primary use is residential
Not a Dwelling	Not a Dwelling	Not a Dwelling
▪ Transitory residences ▪ Recreational vehicles ▪ Boats ▪ Campers ▪ Travel trailers ▪ Park model RVs ▪ Floating homes ▪ Houseboats ▪ Mobile homes constructed before June 15, 1976	▪ Transitory residences ▪ Hotels ▪ Hospitals and properties used to provide medical care (such as skilled nursing, rehabilitation, or long-term medical care) ▪ College dormitories ▪ Recreational vehicle parks	▪ Mixed-use property if primary use is not residential ▪ Transitory residences ▪ Structures originally designed as Dwellings but used exclusively for commercial purposes ▪ Properties for long-term housing and medical care if primary use is not residential

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

❸ Does the transaction involve an extension of credit?[2]

Credit granted pursuant to a new debt obligation?

Yes → Proceed to Step 4

No ↓

Is or was the transaction:

- an assumption? comment 2(d)-2.i

  or

- completed pursuant to a New York State consolidation, extension, and modification agreement (CEMA)? comment 2(d)-2.ii

Yes → Proceed to **Step 4**

No → Does not involve a Covered Loan

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

❹ Do other exclusions apply? § 1003.3(c)(1) through (8) and (c)(13)

Is or was the transaction:

- originated or purchased by the Financial Institution acting in a fiduciary capacity?
- secured by a lien on unimproved land?
- temporary financing?
- the purchase of an interest in a pool of otherwise Covered Loans, such as mortgage-participation certificates, mortgage-backed securities, or real estate mortgage investment conduits?
- the purchase solely of the right to service an otherwise Covered Loan?
- a purchase as part of a merger or acquisition, or as part of the acquisition of all of the assets and liabilities of a branch office?
- for a total dollar amount that is less than $500?
- a purchase of a partial interest in an otherwise Covered Loan?
- to provide new funds in advance of a consolidation agreement completed pursuant to a New York State CEMA where consolidation occurred in the same year as final action on the transaction?

If **NO** to **all** of the questions → Transaction involves a Covered Loan

If **YES** to **any** of the questions → Does not involve a Covered Loan

Transaction involves a Covered Loan

Regulation C provides different loan-volume reporting thresholds for transactions that involve a Covered Loan depending on whether they involve a Closed-End Mortgage Loan or an Open-End Line of Credit. § 1003.3(c)(11) and (12). Reporting is required if a threshold is met in each of the two preceding calendar years.[3] (See Institutional coverage chart effective July 1, 2020 for guidance regarding institutional coverage.)

Closed-End Mortgage Loan § 1003.2(d)

Lending activity

Originated at least **100 Closed-End Mortgage Loans** in each of the two preceding calendar years?

§ 1003.3(c)(11)

Data reporting

Yes → **Required** to report all Closed-End Mortgage Loan Applications, originations, and purchases

No → **Not required** to report Closed-End Mortgage Loan Applications, originations, and purchases

Open-End Line of Credit § 1003.2(o)

Lending activity

Originated at least **500 Open-End Lines of Credit** in each of the two preceding calendar years?

§ 1003.3(c)(12)

Data reporting

Yes → **Required** to report all Open-End Lines of Credit Applications, originations, and purchases

No → **Not required** to report Open-End Lines of Credit Applications, originations, and purchases

- Only **originated** Covered Loans count toward the loan-volume thresholds. If a threshold is met, the institution reports all Applications for Covered Loans that it receives, Covered Loans that it originates, and Covered Loans that it purchases for that type of transaction (either Closed-End Mortgage Loan or Open-End Line of Credit, or both, if both thresholds are met).
- Covered consumer and business or commercial purpose originations should be counted together when assessing the individual thresholds for Closed-End Mortgage Loans and Open-End Lines of Credit.
- A financial institution may voluntarily report Closed-End Mortgage Loans or Open-End Lines of Credit that are excluded because the financial institution does not meet the transactional threshold for that type of transaction. However, if it chooses to voluntarily report Closed-End Mortgage Loans or Open-End Lines of Credit, the financial institution must report all such transactions that would otherwise be covered loans for that calendar year.

[3] This chart is effective July 1, 2020 through December 31, 2021. On January 1, 2022, the Open End Line of Credit threshold will adjust to 200. Prior to July 1, 2020, the closed-end threshold is 25.