



May 7, 2004

Jennifer J. Johnson, Secretary  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, N.W.  
Washington, DC 20551

Attention: Docket No. R-1186 (Home Mortgage Disclosure Act)

Dear Ms. Johnson:

We appreciate the opportunity to comment on the proposal of the Board of Governors (the "Board") to revise formats for public disclosure of mortgage lending data reported pursuant to the Home Mortgage Disclosure Act and Regulation C.

MBNA America (Delaware), N.A. ("MBNA"), a national banking association located in Wilmington, Delaware, is a wholly owned subsidiary of MBNA Corporation. MBNA extends credit to consumers primarily through mortgage loans and aircraft loans; it also makes small business loans via corporate credit cards.

Under the proposal, data tables contained in the public disclosure of lending data will be revised. Existing Table 1-5 contained in the public disclosures will be revised to reflect changes to the race and ethnicity data gathered from Loan Application Registers ("LAR") beginning in 2004. Tables 1 and 2 will be revised to itemize data on manufactured housing. Table 3 will be revised to itemize data on loans sold using the revised type of purchaser categories and to reflect the new applicant race and ethnicity categories. Table 4 will be revised to show the revised applicant race and ethnicity categories. The proposal also calls for the deletion of the Table 6, which shows action taken on applications for various types of loans itemized by applicant income and sex. The Board believes that the same information is contained in Tables 4 and 5. The proposal will also add Table 11 to provide pricing information on conventional loans on 1-to-4-family owner-occupied dwellings using the new rate spread data from the LAR. Table 12 will be added to show the same information found in the Table 11 but for applications for loans secured by liens on manufactured housing. Table 12 will also show the action taken on applications and rate-spread information on loans originated. Additionally, Summary Table A will be added to show the action taken on applications by loan type. Summary Table B will be added to show rate spreads and HOEPA status on conventional loans.

Coverage

*Tables 1-6* - MBNA agrees with the revisions to Tables 1-5, which will incorporate into the tables the additional and revised data collected on the LAR. We also agree with the deletion of Table 6 as the information reported can be obtained from Tables 4 and 5.

*Tables 11 and 12; Summary Table A* – MBNA agrees with the additions of Tables 11 and 12 which will report the new rate spread information collected on the LAR. We also agree with the addition of Summary Table A, which will report the action taken on applications itemized by the new loan type designations.

*Summary Table B* - We have concerns with the addition of Summary Table B, which will report HOEPA status and rate-spread information on conventional loans itemized by loan purpose and lien position. We are concerned that the public will incorrectly interpret the HOEPA loans reported on this table as predatory loans. The public needs to be aware that loans subject to HOEPA are perfectly legal, not predatory, and serve a segment of the population having special credit needs. The public needs to understand that HOEPA loans are generally priced higher to compensate for the higher risk associated with lending to subprime customers and do not necessarily include any of the characteristics of predatory loans. Users of the data may make incorrect assumptions about an institution's lending practices unless the Board is able to provide them with some context surrounding loans subject to HOEPA.

Conclusion

MBNA appreciates the opportunity to comment on the proposed rule and the Board's efforts to incorporate the new HMDA data into public disclosures of mortgage lending data. If the Board has any questions about these comments, please call the undersigned.

Sincerely,

/s/ Joseph R. Crouse

Joseph R. Crouse

Legislative Counsel

MBNA America (Delaware), N.A.