

HMDA Resubmission Standards

In order to ensure the integrity of the HMDA data used for analysis, the following guidelines should be used when considering whether to have an institution resubmit HMDA data. The guidelines are broken into two general categories, one for assessing the accuracy of an individual data field, and one for assessing overall accuracy. In addition, the guidelines establish different standards for different fields on the HMDA-LAR depending on the importance of the field for analysis purposes.

Institutions should be required to correct and resubmit a field on the HMDA-LAR when at least 5.0 percent of the LARs sampled was reported incorrectly. The fields, known as the "key fields," covered by this 5.0 percent rule are:

- Loan Type
- Loan Purpose
- Property Type
- Owner Occupancy
- Loan Amount
- Action Taken Type
- Request for Preapproval
- Application Date and Action Date
- MSA
- State
- County
- Census Tract
- Ethnicity, Race, and Sex of the Applicant and Co-Applicant
- Income
- Type of Purchaser
- Rate Spread
- HOEPA Status
- Lien Status

Rounding errors in the loan amount and income fields should not be counted towards resubmission, although the violations should be cited and the bank should report the data correctly in the future. When the regression program is used on an examination, each of the fields above, except for State, County, Census Tract, Applicant Sex, and Co-Applicant Sex must have less than a 5.0 percent error rate before the step 1 program is run.

Errors in the fields not covered by the 5.0 percent rule should also lead to resubmission if, in the examiner's judgement, these errors prevent an accurate analysis of the institution's lending.

In addition to basing a resubmission on the error rate for an individual field, resubmission could also be required based on the bank's overall rate. If at least 10.0 percent of the institution's records have an error in at least one of the key fields, then the entire HMDA LAR must be resubmitted. In this instance, the institution must verify the data in each of the fields and not just those with greater than a 5.0 percent error rate.