

Welcome and Opening Remarks

Welcome to the Federal Reserve Bank of Atlanta. I am Dennis Lockhart. I'm the president of the bank here. And we're honored to host the first of four Home Mortgage Disclosure Act hearings sponsored by the Federal Reserve Board of Governors. Let me start by welcoming guests who will be participating on our two panels. Panel one, which I think is to my left, Faith Anderson, Vice President, General Counsel of American Airlines Federal Credit Union. Faith, welcome. Phil Greer, Senior Vice President of Loan Administration, State Employees Credit Union. Phil. Will Jordan, Executive Director, Metropolitan Saint Louis Equal Housing Opportunity Council. Will, welcome. Bill Loving, CEO Pendleton Community Bank. Bill. And Arden Shank, President and Executive Director Neighborhood Housing Services Of South Florida. Arden, welcome. Panel 2, to my right, we have one member missing, I think, but--we--in fact, for my list here, we have two members missing. So let me--maybe what I've done here is--

Panel 2--

These are my fed colleagues. Let me just mention the names of panel 2, and they will be coming up later. Stella Adams, CEO of SJ Adams Consulting; Steven Antonakes, Commissioner of Banks Commonwealth of Massachusetts; Jeff Dillman, Executive Director, Housing Research and Advocacy Center; A. James Elliot--Jim Elliot, Associate Dean, a professor of law, Emery Law School; Adam Rust, Research Director, Community Reinvestment Association of North Carolina; and Susan Wachter, Professor of Financial Management and Real Estate University of Pennsylvania. That is panel 2, which you'll see later.

As you know, we're here today to consider changes in the Federal Reserve Boards Regulation C which implements HMDA, or the Home Mortgage Disclosure Act. The act has a long history, first enacted by congress in 1975. Each subsequent decade has brought new amendments to HMDA to respond to changes in the mortgage market. Today's mortgage market presents a new set of challenges and opportunities for us to respond to. So today, we resume the dialogue to consider HMDA's continued evolution in ensuring that consumer and local community housing needs are being met, and markets are functioning effectively and efficiently. Now, I would like to introduce you to my colleagues from the Federal Reserve Board of Governors and to turn the program over to them. We're honored to have Fed Governor Elizabeth "Betsy" Duke on my far right. Also, Sandy Braunstein, Director of the Division of Consumer and Community Affairs, and Leonard Chanin, Deputy Director of the Division of Consumer and Community Affairs. Welcome to all of you. Also, they're joined by two members of the board's Consumer Advisory Council, Shanna Smith and Ira Goldstein. They will be presiding over today's hearing. So with that introduction, it's my pleasure to turn the proceedings over to Governor Betsy Duke. Betsy?

Thank you. And on behalf of the Board of Governors in the Federal Reserve System, I'd like to also welcome the participants to today's hearing. President--and I'd also like to express my appreciation to President Lockhart and our colleagues at the Federal Reserve Bank of Atlanta for hosting us today. Pleased to be here at the--in the first of a series of public hearings regarding changes to the Home Mortgage Disclosure Act. The board has scheduled these

hearings to assess the adequacy of the current mortgage data requirements and examine the need to collect additional data from lenders. I would point out that since we began planning these hearings, changes to the HMDA data requirements have been included in the regulatory reform bill currently being considered by the Congress. We look forward to hearing your comments regarding the implementation of the changes that are specified in the legislation, as well as changes that you might recommend based on your experience. The proposed legislation would also transfer authority for HMDA rulemaking from the board of governors to the new consumer financial protection bureau. So all information gleaned from these hearings will inform our regulatory work, and then when rulemaking authority transfers to the CFPB, please be assured that we will hand over the most current thinking about changes to regulation C. Over the course of the public hearings held throughout the country, we will hear from key players in the home mortgage market; lenders and other market participants, academics and researchers, consumer advocacy and consumer development organizations, data experts, regulators and other public officials. Although they play different roles, all share a common goal; to ensure that the mortgage market is responsible, transparent, efficient, and serves the needs of consumers and market participants alike. Clearly, the recent mortgage crisis has highlighted the potential ramifications of a mortgage market that is not functioning well. Data do not create the market, but they help us understand what is happening in the market. HMDA data cannot solve all market problems, but the time is right for reviewing and revising the data elements, standards, and reporting formats. With the benefit of hindsight, we can now answer the question, "Do policy makers have adequate and reliable data sufficient to assess market conditions and craft policy responses?" HMDA has three purposes. One purpose is to provide the public and government officials with data that will help show whether lendings are--lenders are serving the housing needs of the neighborhoods and communities in which they are located.

A second is to help government officials target public investment to promote private investment where it's needed. A third purpose is to provide data to assist in identifying possible discriminatory lending patterns and facilitate the enforcement of anti-discrimination laws such as the Equal Credit Opportunity Act. Today's hearing is intended as a venue to discuss whether or not the 2002 revisions to regulation C, provide useful and accurate information about the mortgage market, to gather information that will help assess the needs for additional data elements or improvements, and identify emerging issues in the mortgage market that may require additional research. As I said earlier, we are also interested in any comments on the implementation of the HMDA elements in the regulatory reform legislation. We've gathered this morning an impressive array of panelists representing a spectrum of vantage points. We look forward to the comments of our panelist today and at the upcoming hearings in San Francisco, Chicago, and Washington. This input, together with written comments submitted from the public, will be carefully considered as we consider the changes to regulation C. Now, I'd like to turn to just a few housekeeping details. This hearing will be part of the public record in our assessment of possible changes to HMDA, and transcripts will be made available.

Panelists and members of the public are actively encouraged to also submit written comments. You can find instructions for submitting written comments on the Federal Reserve Board's website. Each panelist will be given a maximum of five minutes for opening remarks--and let me apologize in advance, but to be sure that everyone has a change to speak, we will have to cut you off if you go over. Following the panels, we will have one hour of open mic for

audience members who wish to speak on the record. And if you wish to speak during the open mic period, and if not already done so, please sign up. We'll take speakers in the order in which they have signed in. Speakers will be limited to five minutes each, and we will take as many comments as we can accommodate in that hour that's allotted. And then one last thing, I'm gonna have to step out of the meetings to take a conference call. And while I'm gone, Sandy Braunstein will preside in my absence. The panel, you've already seen in--you've already had introduced. But I would like to just take a moment and say how fortunate we are. We have a consumer advisory council that we meet with on a regular basis in Washington, and they've always brought us incredibly valuable information about what's going on in the markets and on the ground and local communities. And for the first time, we're now utilizing members of the council in our hearings. And so, we have Shanna Smith and then Ira Goldstein, and we just really, really appreciate their participation in today's hearings. And finally, I would like to note with regret that one of the scheduled panelists at CVAC will not be able to join us today due to a personal emergency.