Regulation C

Home Mortgage Disclosure

Background

Regulation C (12 CFR 203) implements the Home Mortgage Disclosure Act (HMDA), which was enacted by Congress in 1975. The period 1988 through 1992 saw substantial changes to HMDA. Especially significant were the amendments to the act resulting from the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA). The FIRREA amendments expanded coverage to many independent nondepository mortgage lenders in addition to the previously covered banks, savings associations, and credit unions. Coverage of independent mortgage bankers was further expanded in 1993 with implementation of amendments contained in the Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA). For a detailed discussion of the history of HMDA, see the Federal Financial Institutions Examination Council's web site (www.ffiec.gov/hmda/history2.htm).

HMDA grew out of public concern about credit shortages in certain urban neighborhoods. Congress believed that some financial institutions had contributed to the decline of some geographic areas by their failure to provide adequate home financing to qualified applicants on reasonable terms and conditions. Thus, one purpose of HMDA and Regulation C is to provide the public with information that will help show whether financial institutions are serving the housing credit needs of the neighborhoods and communities in which they are located. A second purpose is to aid public officials in distributing public-sector investments so as to attract private investment to areas where it is needed. A third purpose is to assist in identifying possible discriminatory lending patterns and enforcing anti-discrimination statutes.

As the name implies, HMDA is a disclosure law. It relies on public scrutiny for its effectiveness. It does not prohibit any specific lender activity, and it does not establish a quota for mortgage lending in any metropolitan statistical area (MSA) or other geographic area defined by the Office of Management and Budget.

Lenders must report data on loan originations, applications, and purchases as well as requests under a preapproval program (as defined in section 203.2(b) of Regulation C) if the preapproval request is denied or results in the origination of a home purchase loan. They must also report the ethnicity, race, gender, and gross income of mortgage applicants and borrowers. In addition, lenders must report information on the pricing of each loan and whether the loan is subject to the Home Ownership and Equity Protection Act (15 USC 1639). Additionally, lenders must identify the type of purchaser for each mortgage loan they sell. Some lenders have the option of indicating the reasons for their decision to deny a loan application. (Lenders regulated by the Office of the Comptroller of the Currency or the Office of Thrift Supervision *must* indicate the reasons for denial.)

Regulation C requires institutions to report lending data to their supervisory agencies on a loan-by-loan and application-by-application basis by way of a ''register'' reporting format. The supervisory agencies, through the Federal Financial Institutions Examination Council (FFIEC), compile this information to produce individual disclosure statements for each institution and aggregate reports for all covered institutions within each MSA. In addition, the FFIEC produces other aggregate reports that show lending patterns by median age of homes and by the central-city or non-central-city location of the property. The public can obtain the individual disclosure statements and the aggregate reports from the FFIEC or from central depositories located in each MSA. Individual disclosure statements can also be obtained from financial institutions.

Applicability

Regulation C covers two categories of financial institutions. One is *depository institution*, which the regulation defines as a bank, savings association, or credit union that meets the following criteria:

- On the preceding December 31 had assets in excess of the annually published asset threshold,
- On the preceding December 31 had a home or branch office in an MSA,
- In the preceding calendar year originated at least one first-lien home purchase loan (or a refinancing of such a loan) on a one- to four-family dwelling, and
- Meets one of the following criteria: (1) the institution is federally insured or regulated, (2) the mortgage loan referred to is federally guaranteed, insured, or supplemented, or (3) the institution intended to sell the loan to Fannie Mae or Freddie Mac.

The other category is *for-profit, nondepository mortgage lending institution.* A for-profit, nondepository mortgage lending institution is covered by Regulation C if

- the preceding calendar year, it originated home purchase loans (including refinancings of home purchase loans) that either (1) totaled 10 percent or more of its loan origination volume, measured in dollars, or (2) totaled $25 million or more,

- In the preceding December 31, it had a home or branch office in an MSA,[1] and
- Either (1) on the preceding December 31, it had total assets of more than $10 million, counting the assets of any parent corporation, or (2) in the preceding calendar year, it originated at least 100 home purchase loans or refinancings of home purchase loans.

For purposes of this discussion and the examination procedures, the term "financial institution" signifies both a depository institution and a nondepository institution. The term "mortgage lending institution" applies to majority-owned mortgage lending subsidiaries of depository institutions and, since 1990, to independent mortgage companies. Mortgage lending subsidiaries of bank and savings and loan holding companies, as well as of savings and loan service corporations, have been covered by HMDA since 1988. Mortgage lending subsidiaries are treated as entities distinct from their "parent" and must file separate reports with their parent's supervisory agency.

The Board may exempt from Regulation C a state-chartered or state-licensed financial institution that is covered by a substantially similar state law that contains adequate provision for enforcement by the state. As of January 1, 2009, no exemptions were in effect.

Compilation of Loan Data

For each calendar year, a financial institution must report data on its applications that resulted in originations of:

- purchase loans,
- improvement loans, and
- refinancings.

Data must also be reported for loan purchases. In addition, data must be reported for applications that did not result in originations:

- applications that were approved by the institution but were not accepted by the applicant, and
- applications that were denied, withdrawn, or closed for incompleteness.

Finally, data must be reported on certain denials of requests for preapproval of a home purchase loan under a program whereby a lender issues a written commitment covering a specific period of time to lend a creditworthy borrower up to a specific amount.

Loans secured by real estate that are neither refinancings nor made for home purchase or home improvement need not be reported.

Loan Information

For each application, financial institutions must identify the purpose of the requested or originated loan (home purchase, home improvement, or refinancing), the lien status of the property relating to the application, and whether the property will be owner-occupied as a principal dwelling. Regulation C defines terms as follows:

- *Dwelling*—A residential structure that may or may not be attached to real property located in a state, the District of Columbia, or the Commonwealth of Puerto Rico, including an individual condominium or cooperative unit, a mobile or manufactured home, and a multifamily structure such as an apartment building.
- *Home purchase loan*—A loan secured by a dwelling and made for the purpose of purchasing that (or another) dwelling.
- *Home improvement loan*—A loan that is to be used at least in part for the purpose of repairing, rehabilitating, remodeling, or improving a dwelling or the real property on which the dwelling is located. (Home improvement loans not secured by a dwelling are to be reported only if the institution classifies the loan as a home improvement loan and dwelling-secured home improvement loans are to be reported without regard to classification.)
- *Refinancing*—A transaction in which a new obligation satisfies and replaces an existing obligation by the same borrower. To determine whether or not a loan is covered by HMDA, the existing obligation must be a home purchase loan and both the new and the existing obligations must be secured by a first lien on a dwelling. For reporting purposes, both the existing and new obligations must be secured by a lien on a dwelling.

Financial institutions are also required to identify the following general loan types: conventional, FHA-insured, VA-guaranteed, and FSA/RHS-guaranteed. In addition, they must report the property type as a one- to four-family dwelling, a multifamily dwelling, or manufactured housing. Finally, they must report the amount of the loan (or the loan applied for), the application date, the action date, and the type of action taken.

1. The institution may or may not have a physical presence in the MSA (section 203.2(c)(2)).

Property Location

For loans on, and applications for loans on, properties located in any MSA in which the institution has a home or branch office, certain geographic location information must be reported.[2] For loans on properties located outside these MSAs, and outside any MSA, reporting of geographic information is optional—except in the case of large financial institutions subject to additional data reporting requirements under the Community Reinvestment Act (CRA). The geographic information consists of the MSA or MD number, codes identifying the state and county, and the census tract number of the property to which the loan or loan application relates.

Large financial institutions subject to both the CRA and HMDA must collect and report geographic information for all loans and applications (whether located in an MSA or not), not just for loans and applications relating to property in MSAs in which the institution has a home or branch office.[3] Under the CRA, a *large institution* is a bank or savings association that has assets of $1 billion or more.

Applicant Information

For applications and originated loans, financial institutions must report data on the applicant's or borrower's ethnicity, race, sex, and annual income; for purchased loans, reporting of these data is optional. The institution must request information regarding the ethnicity, race, and sex of all applicants and borrowers, including those who apply entirely by telephone, mail, or Internet. If the applicant does not provide the information and the application is submitted in person, the lender must note the information on the basis of visual observation or surname. Regulation C contains a model form that can be used to collect data on ethnicity, race, and sex. Alternatively, the form used to obtain monitoring information under section 202.13 of Regulation B (Equal Credit Opportunity) may be used.

If an institution originates or purchases a loan and then sells it in the same calendar year, it must report the type of entity that purchased the loan. Except in the case of large secondary-market purchasers such as Fannie Mae and Freddie Mac, the exact purchaser need not be identified. For example, the institution may indicate that it sold a loan to a bank without identifying the particular bank.

2. In the case of an MSA divided into metropolitan divisions (MDs), the relevant unit for this purpose is the MD.
3. For loans and applications on properties located in a county with a population of less than 30,000, the institution may enter ''NA.''

Pricing-Related Data

For originations of home purchase loans, dwelling-secured home improvement loans, and refinancings, financial institutions must report the spread between the annual percentage rate (APR) and the average prime offer rate for a comparable transaction as of the date the interest rate is set, if the spread is equal to or greater than 1.5 percentage points for first-lien loans, or equal to or greater than 3.5 percentage points for subordinate-liens.[4] The following are excluded from the rate-spread reporting requirement: (1) applications that are incomplete, withdrawn, denied, or approved but not accepted, (2) purchased loans, (3) home improvement loans not secured by a dwelling, (4) assumptions, (5) home equity lines of credit, and (6) loans not subject to Regulation Z (Truth in Lending). To determine the applicable rate spread, the financial institution may use the table published on the FFIEC's web site (www.ffiec.gov/hmda) entitled, ''Average Prime Offer Rate Tables.''

Financial institutions must report whether the loan is subject to the Home Ownership and Equity Protection Act (HOEPA) (15 USC 1639). A loan becomes subject to HOEPA when the APR or the points and fees on the loan exceed the HOEPA triggers. (Additional information on HOEPA coverage can be found in the FFIEC examination procedures for the Truth in Lending Act and HOEPA.)

Financial institutions must also report the lien status of any property related to the loan or application (first lien, subordinate lien, or not secured by a lien on a dwelling).

Optional Data

Financial institutions supervised by the Federal Reserve (and the FDIC) may, at their option, report their reasons for denying a loan application. (Financial institutions regulated by the OCC and the OTS, including subsidiaries of national banks and savings associations, are required to provide reasons for denials, as are credit unions, which are regulated by the NCUA.) Institutions may also choose to report certain requests for preapproval that are approved by the institution but not accepted by the applicant, and home equity lines of credit made in whole or in part for the purpose of home improvement or home purchase.

4. Lenders will use the new rate spread reporting test on loans for which applications are taken on and after October 1, 2009, and for all loans consummated on or after January 1, 2010 (regardless of their application dates). For loans for which applications were taken before October 1, 2009, and that are consummated in 2009, the revised rules do not apply. Lenders will apply the existing rate spread reporting test, using Treasury security yield benchmarks, for those loans. For loans for which applications were taken before October 1, 2009, and that are consummated in 2010 or later, the revised rules apply.

Excluded Data

Financial institutions are not required to report loan data for

- Loans originated or purchased by the institution acting as trustee or in some other fiduciary capacity
- Loans on unimproved land
- Temporary financing (such as bridge or construction loans)
- The purchase of an interest in a pool of loans (such as mortgage-participation certificates)
- The purchase of mortgage loan servicing rights
- Loans originated prior to the current reporting year and acquired as part of a merger or acquisition or the acquisition of all the assets and liabilities of a branch office

Reporting Format

Financial institutions are required to record data on each application for, and each origination and purchase of, home purchase loans, home improvement loans, and refinancings on a form titled "Loan/Application Register," or "HMDA-LAR." They must also record data on requests under a preapproval program (as defined in section 203.2(b)), but only if the preapproval request is denied or results in the origination of a home purchase loan. Transactions are to be reported for the calendar year in which final action was taken. If a loan application is pending at the end of the calendar year, it is to be reported on the HMDA-LAR for the following year, when the final disposition is made. Loans originated or purchased during the calendar year must be reported for the calendar year of origination, even if they were subsequently sold.

The HMDA-LAR is accompanied by a list of codes to be used for each entry on the form. Detailed instructions and guidance on the requirements for the register are contained in appendix A to Regulation C. Additional information is available in the FFIEC publication "A Guide to HMDA Reporting: Getting it Right!" and on the FFIEC web site.

Financial institutions must record data on their HMDA-LAR within thirty calendar days of the end of the calendar quarter in which final action was taken. They do, however, have flexibility in determining how to maintain the register, as the entries need not be grouped in any prescribed fashion. For example, an institution could record home purchase loans on one HMDA-LAR and home improvement loans on another; alternatively, both types of loans could be reported on one register. Similarly, a separate register may be kept at each branch office, or a single register for the entire institution may be maintained at a central location. These separate registers must be combined into a single consolidated register, however, when submitted to the appropriate supervisory agency.

For each calendar year, a financial institution must submit to its supervisory agency its HMDA-LAR, accompanied by a transmittal sheet. Unless it has twenty-five or fewer reportable transactions, the institution must submit its data in automated form. For registers submitted in paper form, two copies must be mailed to the supervisory agency. For both automated and hard-copy submissions, the layout of the register must conform exactly to that of the register in appendix A to Regulation C.

The HMDA-LAR must be submitted by March 1 following the calendar year covered by the data. The FFIEC then produces a disclosure statement for each institution, cross-tabulating data on individual loans in various groupings, as well as an aggregate report for each MSA. The FFIEC posts these disclosure statements at www.ffiec.gov/hmda. Disclosure statements are no longer mailed to financial institutions.

Disclosure

As a result of amendments to HMDA incorporated in the Housing and Community Development Act of 1992, an institution must make its disclosure statement available to the public at its home office within three business days after it is posted on the FFIEC website. The institution must also either (1) make this disclosure statement available to the public in at least one branch office in each additional MSA or MD in which it has offices within ten business days of its posting on the FFIEC website, or (2) post, in each branch office in each additional MSA or MD in which it has offices, the address to which requests for copies of the statement should be sent, and then send the disclosure statement within fifteen calendar days after receiving a written request.

Also, an institution must make its loan application register available to the public, after modifying the register by deleting the following fields: application or loan number, date application was received, and date action was taken. These deletions are required so as to protect the privacy interests of applicants and borrowers. For application register requests received on or before March 1, the modified HMDA-LAR for a given year must be available by March 31; for requests received after March 1, it must be available within thirty days of receipt of the request. The modified register need contain only data relating to the metropolitan area for which the request is made.

The FFIEC also produces aggregate tables to illustrate the lending activity of all covered financial institutions in each MSA or MD. These tables and the individual disclosure statements are available on the FFIEC website, www.ffiec.gov/hmda, and through central repositories, such as libraries, in each MSA or MD. A list of the depositories is also available on the FFIEC website.

A financial institution must retain its full (unmodified) HMDA-LAR for at least three years for examination purposes. It must also be prepared to make each modified HMDA-LAR available for three years and each FFIEC disclosure statement available for five years. When responding to specific requests for copies of the data, institutions may charge reasonable fees to cover the costs incurred in providing or producing the data for public release.

Finally, an institution must post a notice at its home office and at each branch in an MSA to advise the public of the availability of the disclosure statements.

Enforcement

Administrative sanctions, including civil money penalties, may be imposed by the institution's supervisory agency. An error in compiling or recording loan data is not a violation of the act or the regulation if it was unintentional and occurred despite the maintenance of procedures reasonably adopted to avoid such errors.

Regulation C

Appendix A. HMDA Sampling Procedures

The following sampling procedures should be applied when reviewing HMDA-LAR data for accuracy:

1. Identify and select the LAR to be reviewed. For each HMDA reporter, review both the current year's data and data submitted since the most recent consumer examination. Examinations conducted after April 30 of each year should include a review of the current year's data. Examinations conducted before April 30 should include a review of the current year's data to the extent that the institution has already entered data for the current year on the LAR. The data from a single year's LAR is the universe from which the sample is taken.
2. Determine the total number of files to be sampled, based on the size of the universe, by referring to column A of the HMDA Sampling Schedule (appendix B to this chapter). For banks at which HMDA data are not relied on in conducting fair lending or CRA examinations, the product module and examination matrix may indicate a Level II review, involving sampling as appropriate. In these instances, the examiner should choose a judgmental sample that is sufficiently large to ensure confidence in the overall accuracy of the data.
3. Select the total random sample.
   - A. From an automated download—The most important thing to remember is that the sample must be *randomly* selected from the universe. A variety of tools, including a feature in Excel, can be used to select a random sample of data electronically. The following instructions will assist you in working with Excel:
     1. Generate a random order to the universe of files from which the sample will be selected using Excel's "Random Number Generation" tool by taking the following steps:
        - a. Select the following from the Excel menu:
          - Add-Ins
          - Analysis Tool Pak (check the box and click "OK")
          - (again)
          - Analysis
          - Random Number Generation (highlight and click "OK")
        - b. Respond to the items on the "Random Number Generation" screen as follows:
          - Number of Variables (leave blank)
          - Number of Random Numbers (leave blank)
          - Distribution (select "Uniform" from list)
          - Parameters (leave the default as is—it is set at 0 and 1)
          - Random Seed (leave blank)
          - Output Options (click on the "Output Range" circle, and then on the small box to the right for "Output Range")
        - c. A small screen titled "Random Number Generation" will appear. Do not enter any information directly on that screen. Rather, select the range (output location) for the random numbers by highlighting the column on the spreadsheet where you want the random numbers to go. (Use the "Shift" key and the down arrow to highlight the column.) Hint: Designating a column at the end of the spreadsheet may work best.
        - d. Click on the small box on the "Random Number Generation" screen (or press "Enter").
        - e. Click on "OK."
        - f. The random numbers are automatically assigned and placed into the designated column.
        - g. Sort the files in ascending order by random number by (1) highlighting all the data, (2) selecting "Data," (3) selecting "Sort," (4) identifying the column (containing the random numbers) by which you will sort, (5) selecting "Ascending," and (6) selecting "OK."
     2. Once the loans are placed in a random order, simply take the sample needed for HMDA verification starting at the top of the list. Be sure to save this information as a supporting workpaper.
   - B. From hard-copy LAR—As with electronic data, the sample of files selected from a hard-copy LAR must be *randomly* selected from the universe.

1. Divide the number of files in the ''universe'' by the desired size of the sample to determine the ''interval.'' If necessary, round down the interval to reach a whole number.
2. Randomly pick a number between zero and the interval.
3. Starting with the first file in the universe, count the items until reaching the number randomly picked. The file corresponding to the random number is the first file in the sample.
4. Starting with the next file as number 1, count the files until reaching the number corresponding to the interval and select that file for the sample.
5. Repeat step 4 throughout the universe until reaching the chosen sample size.

4. Review the number of files indicated for the initial file review (column B in the HMDA Sampling Schedule) according to current FRB HMDA data review procedures.

5. The examiner may stop the HMDA sampling process after reviewing the initial number of files *if* the results indicate that a very small number of files had errors in key fields.[5] This number is given in column D of the HMDA Sampling Schedule (''Maximum number of files with errors—Stop sampling'').

   For example, if the HMDA universe contains 150 files, a total random sample of 56 files should be taken. The examiner may initially review 29 files. If the review of the initial 29 files identifies no more than 1 file with an error or errors in a key field, the examiner may end the review for that HMDA reporter for that universe. The examiner may then reach a statistically reliable conclusion that the findings are indicative of the universe, and resubmission is not necessary.

6. The examiner must complete a review of the entire random sample of files if a larger number of errors in key fields are found during the initial file review.

   The need for additional file review can be determined by referring to column E of the HMDA Sampling Schedule (''Number of files with errors—Additional file review required''). If the number of files with errors in key fields identified in the initial review is shown in column E, the examiner must review the additional files in the random sample.

   For example, if the HMDA universe contains 150 files, a total random sample of 56 files should be taken. The examiner may initially review 29 files. If the review of the initial 29 files identifies 4 files with an error or errors in key fields, the examiner should then review 27 additional files, for a total sample size of 56 files. After completing review of the additional 27 files, the examiner should determine the total number of key-field errors and apply the current Board HMDA resubmission standards to the entire sample.

7. If the examiner determines that a large number of files reviewed in the initial file review have an error or errors in key fields, the examiner may stop HMDA data verification after the initial file review is completed and should apply the current Board HMDA resubmission standards.

   This ''large'' number can be determined by referring to column F of the HMDA Sampling Schedule (''Minimum number of files with errors—Stop sampling and apply resubmission standards''). For example, if the HMDA universe contains 150 files, a total random sample of 56 files should be taken. The examiner may initially review 29 files. If the review of the initial 29 files identifies 6 (or more) files with an error or errors in key fields, the examiner should stop the review. Sufficient statistical evidence has been obtained to conclude that a larger sample would have an unacceptable number of errors, thus requiring resubmission. At this point, the examiner should apply the current Board HMDA resubmission standards to the entire sample.

Provisional HMDA Data Sampling Procedures

In 2004, the Board temporarily revised the HMDA sampling procedures in light of errors in 2004 data in some of the new key data fields.[6] Specifically, the Board increased the required sample sizes, to help ensure the integrity of the HMDA data reported by banks and used by examiners in fair lending and CRA analyses. The provisional sampling procedures, which are described below, are to be in effect until further notice.

Using the sampling procedures described earlier in this appendix and the sample sizes given in appendix B as a starting point, review the sampled loans and possibly increase the number of loans in the sample to ensure that loans *originated by the bank* (HMDA action code 1) make up at least

5. *Key fields* are defined as 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; and lien status.

6. These new fields include race, ethnicity, sex, lien status, Home Ownership and Equity Protection Act status, and loan pricing data.

50 percent of the items in the sample.[7] If in the original randomly selected sample fewer than 50 percent of applications were originated by the bank, continue to randomly select applications with action code 1 until the number of originations reaches at least 50 percent of the number of items required to be sampled. For example,

HMDA universe	100
Sample size according to CA 04-04 guidelines	39
Random sample selected	
Action code 1 (Originations) (28%)	11
Action code 2 (Approved not accepted)	4
Action code 3 (Denied)	7
Action code 4 (Withdrawn)	4
Action code 5 (Incomplete)	2
Action code 6 (Purchased)	5
Action code 7 (Preapproval denied)	4
Action code 8 (Preapproval not accepted)	2
Additional originations required for the sample	9
Revised sample size	48

Special Sampling Method for HOEPA Loan Originations

This sampling method is designed to determine if the bank's procedures for calculating APR spreads and identifying HOEPA loans are accurate and to ensure that those loans that were reported as HOEPA loans, as well as those that were not, were identified correctly. If the random sample selected for HMDA data verification, as outlined earlier in this appendix, does not include enough loans to fulfill the sampling requirements described below, a targeted sample of loans should be selected to meet the minimum requirements. *The targeted loans should be reviewed only to determine if the rate spread was accurately computed and the HOEPA status correctly reported.*

- *Banks at which fewer than 10 percent of originated loans have APRs above HOEPA thresholds*—Review 6 first-lien loans and 6 subordinate-lien loans, for a total of 12 loans (see section 226.32 of Regulation Z for a discussion of thresholds). If possible, in each set of 6 loans include 3 high-cost non-HOEPA loans having an APR of 1 point or less below the HOEPA trigger and 3 HOEPA loans having an APR of 1 point or less above the trigger. If the bank does not have that many loans with an APR within 1 point above or below the trigger, select loans with an APR beyond the 1 point margin to bring the total sampled to 12.

  This methodology has been selected because looking at close cases is most likely to reveal whether the creditor is correctly designating HOEPA loans. For both first and subordinate liens, if the bank originated fewer than 3 high-cost non-HOEPA loans with APRs below the HOEPA thresholds or fewer than 3 loans with APRs above the thresholds, review all the loans in that category.

- *Banks at which more than 10 percent of originated loans have APRs above the HOEPA thresholds*—Review a minimum of 10 first-lien and 10 subordinate-lien loans, for a total of 20 loans. If possible, in each set of 10 loans include 5 high-cost non-HOEPA loans having an APR of 1 point or less below the HOEPA trigger and 5 HOEPA loans having an APR of 1 point or less above the trigger. If the bank does not have that many loans with an APR within 1 point above or below the trigger, select loans with an APR beyond the 1 point margin.

  For both first and subordinate liens, if the bank originated fewer than 5 high-cost non-HOEPA loans having APRs below the HOEPA thresholds or fewer than 5 loans with APRs above the thresholds (but nonetheless meets the 10 percent criterion), review all the loans in that category.

7. The sampling guidance in this chapter is based on CA Letter 04-4.

Appendix B. HMDA Sampling Schedule

HMDA universe	Initial file review					Additional file review	Additional number of loans originated by bank	Total random sample[2]
	Initial file review	Minimum number of loans originated by bank	Maximum number of files with errors[1]—Stop sampling	Number of files with errors[1]—Additional file review required (go to column G)	Minimum number of files with errors[1]—Stop sampling and apply resub-mission standards			
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
1–11	Review all	6						
12–20	12	6	0	1	2	Review all	Review all	All
21–30	13	7	0	1	2	Review all	Review all	All
31–50	15	8	0	1–2	3	13	7	28
51–70	17	9	0	1–2	3	12	6	29
71–90	18	9	0	1–3	4	20	10	38
91–110	28	14	1	2–3	4	11	6	39
111–130	29	15	1	2–4	5	18	9	47
131–140	29	15	1	2–4	5	20	10	49
141–170	29	15	1	2–5	6	27	14	56
171–190	30	15	1	2–5	6	27	14	57
191–270	30	15	1	2–5	6	29	15	59
271–380	30	15	1	2–6	7	38	19	68
381–750	31	16	1	2–6	7	38	19	69
751–1,100	31	16	1	2–7	8	48	24	79
1,101 or more	32	16	1	2–7	8	47	24	79

1. Files with one or more errors in key fields. Key fields are defined as 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; and lien status.
2. The total random sample could be larger if the minimum number of loans originated by the bank is not found in the original sample.

Appendix C. HMDA Resubmission Standards

To ensure the integrity of the HMDA data used for analysis, the following guidelines should be followed when considering whether to have an institution resubmit HMDA data. The guidelines cover two general categories of assessments: assessments of the accuracy of the data in individual data fields, and assessments of overall accuracy.

Individual Data Fields

Institutions should be required to correct and resubmit data in certain ''key'' fields on the HMDA-LAR when at least 5.0 percent of the files sampled contain inaccurate data within a key field. These fields are

- type
- purpose
- Property type
- occupancy
- amount
- Action taken type
- Request for preapproval
- Application date
- Action date
- MSA
- State
- County
- Ethnicity of the applicant and co-applicant
- of the applicant and co-applicant
- of the applicant and co-applicant
- Income
- of purchaser
- spread
- status
- status

Errors in rounding amounts in the ''loan amount'' and ''income'' fields should not be counted toward the 5 percent resubmission standard, although the violations should be cited and the bank should report the data correctly in the future. When the regression program is used during an examination, each of the key fields except ''state,'' ''county,'' ''census tract,'' ''applicant sex,'' and ''co-applicant sex'' must have an error rate of less than 5.0 percent before the step 1 regression program is run.

Overall Accuracy

If at least 10.0 percent of the sampled files contain an error in at least one key field, the entire HMDA-LAR must be resubmitted. The institution must verify the data in each of the fields, not just in those with an error rate greater than 5.0 percent.

Examination Objectives and Procedures

EXAMINATION OBJECTIVES

1. To appraise the quality of the financial institution's compliance risk management system to ensure compliance with the Home Mortgage Disclosure Act (HMDA) and Regulation C
2. To determine how much reliance can be placed on the financial institution's compliance risk management system for ensuring its compliance with HMDA and Regulation C, including such elements as internal controls, policies, procedures, and compliance review and audit functions
3. To determine the accuracy and timeliness of the financial institution's submitted HMDA-LAR
4. To initiate corrective action when policies or internal controls are deficient or when violations of law or regulation are identified

EXAMINATION PROCEDURES

A. Initial Procedures

Depository Institutions

1. Determine whether the depository institution is subject to the requirements of HMDA and Regulation C by determining if the regulatory criteria addressed in sections 203.2(e)(1)(i)–203.2(e)(1)(iv) are met.

Mortgage Subsidiaries

2. Determine whether the depository institution has a majority ownership in a mortgage subsidiary that meets relevant criteria in sections 203.2(e)(2)(i)–203.2(e)(2)(iii). If all relevant criteria are met, the subsidiary is subject to the requirements of HMDA and Regulation C.
3. Determine whether the depository institution has been involved in any mergers or acquisitions since January 1 of the preceding calendar year.
   a. If it has been, determine whether the required HMDA data for the acquired financial institution(s) were reported separately or in consolidation. The examination procedures in the following sections that concern accuracy and disclosure also apply to an acquired financial institution's data, even if those data are reported separately.

Note: If HMDA and Regulation C are applicable, the following examination procedures should be completed separately for the depository institution and any of its majority-owned mortgage subsidiaries. Complete a separate checklist for each institution subject to HMDA and Regulation C. Also, when determining whether a financial institution is subject to HMDA, the examiner should remain cognizant of any newly created MSAs and changes in MSA boundaries, including the addition or deletion of counties to or from an MSA, thus causing a financial institution either to become a new HMDA reporter or to no longer be a HMDA reporter. For a list of counties in an MSA, by state, see the FFIEC web site and the publication ''A Guide to HMDA Reporting: Getting It Right!''

B. Evaluation of Compliance Management

The examiner should obtain the information necessary to make a reasonable assessment of the financial institution's ability to collect data on applications for, and originations and purchases of, home purchase loans, home improvement loans, and refinancings for each calendar year, in accordance with the requirements of HMDA and Regulation C.

The examiner should determine, through a review of written policies, internal controls, and the HMDA Loan/Application Register(s) (HMDA-LAR) and discussions with management, whether the financial institution adopted and implemented comprehensive procedures to ensure adequate compilation of home mortgage disclosure information in accordance with sections 203.4(a)–203.4(e).

During the review of the financial institution's system for maintaining compliance with HMDA and Regulation C, the examiner should obtain and review policies and procedures, along with any applicable audit and compliance program materials, to determine whether

1. Policies, procedures, as well as training are adequate, on an ongoing basis, to ensure compliance with Regulation C
2. Internal review procedures and audit schedules comprehensively cover all the pertinent regulatory requirements associated with Regulation C
3. The audits or internal analysis performed

include a reasonable amount of transactional analysis and a reasonable number of written reports that detail findings and recommendations for corrective action

4. Internal reviews include any regulatory changes that may have occurred since the prior examination
5. The financial institution has assigned one or more individuals responsibility for oversight, data update, and data entry, as well as for timeliness of the institution's data submission. The examiner should also determine whether the institution's board of directors is informed of the results of all analyses
6. The individuals who have been assigned responsibility for data entry receive appropriate training for completion of the HMDA-LAR and also receive copies of instructions—appendix A to Regulation C (Forms and Instructions for Completion of the HMDA-LAR); the staff commentary to Regulation C; and the FFIEC publication "Guide to HMDA Reporting: Getting it Right!" in a timely manner
7. The financial institution has ensured effective corrective action in response to previously identified deficiencies
8. The financial institution performs HMDA-LAR volume analysis from year to year to detect increases or decreases in activity that might indicate omissions of data
9. The financial institution maintains documentation for those loans it packages and sells to other institutions

C. Evaluation of Policies and Procedures

Evaluate whether the financial institution's informal procedures and internal controls are adequate to ensure compliance with Regulation C. Consider the following:

1. Whether the individuals assigned responsibility for the financial institution's compliance with Regulation C have an adequate level of knowledge and have established a method for staying abreast of changes to laws and regulations
2. If the financial institution ensures that individuals assigned compliance responsibility receive adequate training to ensure compliance with the requirements of the regulation
3. Whether the individuals assigned compliance responsibility know whom to contact, at the financial institution or their supervisory agency, if they have questions not answered by the written materials
4. If the financial institution has established and implemented adequate controls to ensure the separation of duties (for example, data entry, review, oversight, and approval)
5. Any internal reports or records documenting revisions to policies and procedures, as well as any informal self-assessments of the financial institution's compliance with the regulation
6. If the financial institution offers preapprovals, whether the institution's preapproval program meets the specifications detailed in the HMDA regulation; and, if so, whether the institution's policies and procedures provide adequate guidance for the reporting of preapproval requests that are approved or denied, in accordance with the regulation
7. Whether the financial institution's policies and procedures address the reporting of (1) non-dwelling-secured loans that are originated in whole or in part for home improvement and are classified as such by the institution and (2) dwelling-secured loans that are originated in whole or in part for home improvement, whether or not classified as such
8. Whether the financial institution has established a method for determining and reporting the lien status of property associated with all originated loans and applications
9. Whether the financial institution's policies and procedures contain guidance for collecting ethnicity, race, and sex data for all loan applications, including applications made by telephone, mail, and Internet
10. Whether the financial institution's policies and procedures address the collection of data on the rate spread (the difference between the APR and the average prime offer rate for a comparable transaction as of the date the interest rate is set) and whether the institution has established a system for tracking rate "lock dates" and calculating the rate spread
11. Whether the financial institution's policies and procedures address how to determine if a loan is subject to the Home Ownership and Equity Protection Act and the reporting of applications involving loans for manufactured homes
12. Whether the HMDA-LAR is updated within thirty days after the end of each calendar quarter
13. Whether data are collected at all branches and, if so, whether the appropriate personnel are sufficiently trained to ensure that all branches are reporting data under the same guidelines
14. Whether the financial institution's loan officers, including loan officers in the commercial loan

department who may handle loan applications reportable under HMDA (including loans and applications for multifamily and mixed-use properties and small business refinances secured by residential real estate), are informed of the reporting requirements necessary to assemble the information

15. Whether the financial institution's board of directors has established an independent review of the policies, procedures, and HMDA data to ensure compliance and accuracy and is advised each year of the accuracy and timeliness of the institution's data submissions
16. What procedures the financial institution has put in place to comply with the requirement to submit data in machine-readable form, and whether the institution has some mechanism in place to ensure the accuracy of the data that are submitted in machine-readable form
17. Whether the financial institution's loan officers are familiar with the disclosure, reporting, and retention requirements associated with loan/application registers and FFIEC public disclosure statements
18. Whether the financial institution's loan officers are familiar with the disclosure statements that will be produced from the data
19. Whether the financial institution's loan officers are aware that civil money penalties may be imposed if an institution has submitted erroneous data and has not established adequate procedures to ensure the accuracy of the data
20. Whether the financial institution's loan officers are aware that correction and resubmission of erroneous data may be required when data for at least 5 percent of loan/application records are incorrectly reported

D. Transaction Testing

Verify that the financial institution accurately compiled home mortgage disclosure information on a register in the format prescribed in appendix A to Regulation C, by reviewing a sample of applications. For submitted data, the review should include a sample of the applications represented on the HMDA-LAR. A sample of the current year's data should also be reviewed. In both cases, the sample should include

1. Approved and denied transactions subject to HMDA
2. Housing-related purchased loans
3. Withdrawn housing-related loan applications

E. Disclosure and Reporting

1. Determine whether the financial institution

a. Submits its HMDA-LAR to the appropriate supervisory agency no later than March 1 following the calendar year for which the data are compiled and maintains its HMDA-LAR for at least three years thereafter

   Note: Financial institutions that report twenty-five or fewer entries on their HMDA-LAR may collect and report HMDA data in paper form. Financial institutions opting to submit their data in such a manner must send two typed or computer-printed copies. They must use the format of the HMDA-LAR but need not use the form itself.

b. Makes its FFIEC disclosure statement available to the public at its home office no later than three business days after receiving its statement from the FFIEC
c. Either (1) makes its FFIEC disclosure statement available to the public in at least one branch office in each additional MSA or MD in which it has offices within ten business days after receiving the disclosure statement from the FFIEC or (2) posts, in the lobby of each branch office in additional MSAs or MDs in which it has offices, the address to which written requests for the disclosure statement should be sent, and then mails or delivers a copy of the disclosure statement within fifteen calendar days of receiving a written request
d. Makes its modified HMDA-LAR (modified by removal of loan application numbers, dates applications were received, and dates action was taken) available to the public by March 31 for requests received on or before March 1 and within thirty days for requests received after March 1
e. Maintains its modified HMDA-LARs for three years and its disclosure statements for five years, and has policies and procedures to ensure that its modified HMDA-LARs and disclosure statements are available to the public during those terms
f. Makes its modified HMDA-LARs and disclosure statements available for inspection and copying during the hours the office is normally open to the public for business. If it imposes a fee for costs incurred in providing or reproducing the data, the fee should be reasonable.
g. Posts a general notice about the availability of its HMDA data in the lobby of its home office and of each branch office located in an MSA
h. Provides promptly, upon request, the location of the financial institution's offices

where the statement is available for inspection and copying, or includes the location in the lobby notice

2. If the financial institution has a subsidiary covered by HMDA, determine that the subsidiary completed a separate HMDA-LAR and submitted it either directly or through its parent to the parent's supervisory agency.
3. Determine that the HMDA-LAR transmittal sheet was completed accurately and that an officer of the financial institution signed and certified to the accuracy of the data contained in the register. (Refer to appendix A of Regulation C.) Note: If the HMDA-LAR was submitted via the Internet, the signature should be retained on file at the institution.
4. Review the financial institution's most recent disclosure statement, HMDA-LAR, modified HMDA-LAR, and any applicable correspondence, such as notices of noncompliance. Determine whether errors occurred during the previous reporting period and, if errors did occur, what steps the institution took to correct and prevent such errors in the future.
5. Determine whether the financial institution has the necessary tools to compile the geographic information.
   a. Determine whether the financial institution uses the FFIEC geocoding web site (www.ffiec.gov/geocode/default.htm); the U.S. Census Bureau's Census Tract Street Address Lookup Resources for 2000; the Census Bureau's 2000 Census Tract Outline Maps; LandView 5-equivalent materials available from the Census Bureau or from a private publisher; or an automated geocoding system to obtain census tract numbers.
   b. If the financial institution relies on outside assistance to obtain census tract numbers (for example, private ''geocoding'' services or real estate appraisals), verify that adequate procedures are in place to ensure that the census tract numbers are obtained when they are not provided by the outside source. For example, if the institution usually uses property appraisals to obtain census tract numbers, it must have procedures to obtain this information when an appraisal is not received, such as when a loan application is denied before an appraisal is made.
   c. Verify that the financial institution has taken steps to ensure that the provider of outside services is using the appropriate 2000 Census Bureau data.
   d. Verify that the financial institution uses current MSA and MD definitions to determine MSA and MD numbers and boundaries. MSA definitions and numbers (and state and county codes) are available from the supervisory agency and from the FFIEC publication ''A Guide to HMDA Reporting: Getting it Right!''
6. For financial institutions required under the CRA to report data on small business, small farm, and community development lending, verify that they also collect accurate data on property located outside MSAs or MDs in which they have a home or branch office, or outside any MSA or MD.

F. Examination Conclusions

1. Summarize the findings, supervisory concerns, and regulatory violations.
2. For the violations noted, determine the root cause by identifying weaknesses in internal controls, audit and compliance reviews, training, management oversight, or other factors; also, determine if the violations are repetitive, isolated, or systemic.
3. Identify action needed to correct violations and weaknesses in the financial institution's compliance system.
4. Discuss findings with the financial institution's management, and obtain a commitment to take corrective action.

Regulation C
Examination Checklist

Applicability

Depository Institutions

1. Is the depository institution a bank, savings association, or credit union that in the preceding calendar year originated at least one home purchase loan (or refinancing of a home purchase loan) secured by a first lien on a one- to four-family dwelling? (§ 203.2(e)(1)(iii)) Yes No
2. Does the depository institution meet at least one of the following criteria?
   a. The depository institution is a federally insured or regulated institution (§ 203.2(e)(1)(iv)(A)) Yes No
   b. The depository institution originated a mortgage loan (see question 1) that was insured, guaranteed, or supplemented by a federal agency (§ 203.2(e)(1)(iv)(B)) Yes No
   c. The depository institution originated a mortgage loan (see question 1) intending to sell it to Fannie Mae or Freddie Mac (§ 203.2(e)(1)(iv)(C)) Yes No
3. Did the depository institution have either a home or a branch office in an MSA on December 31 of the preceding calendar year? (§ 203.2(e)(1)(ii)) Yes No
4. On the preceding December 31 did the depository institution have assets in excess of the asset threshold that is adjusted annually and published annually by the Federal Reserve Board? (§ 203.2(e)(1)(i)) Yes No

If the answers to questions 1–4 are "yes," the depository institution is subject to the requirements of HMDA and Regulation C, and the examiner should complete the remainder of the checklist

Mortgage Subsidiaries

5. Is the depository institution a majority owner of a for-profit mortgage subsidiary? Yes No

If the answer to question 5 is "yes," complete questions 6–8; otherwise, proceed to question 9.

6. In the preceding calendar year, did the mortgage subsidiary either
   a. Originate home purchase loans or refinancings of home purchase loans that together equaled at least 10 percent of its total loan-origination volume, measured in dollars, or (§ 203.2(e)(2)(i)(A)) Yes No
   b. Originate home purchase loans or refinancings of home purchase loans that together equaled at least $25 million (§ 203.2(e)(2)(i)(B)) Yes No
7. Did the mortgage subsidiary have a home or branch office in an MSA as of December 31 of the previous year?[8] (§ 203.2(e)(2)(ii)) Yes No
8. Does the mortgage subsidiary meet at least one of the following criteria? (§ 203.2(e)(2)(iii))
   a. The mortgage subsidiary had total assets (when combined with the assets of the parent corporation) exceeding $10 million on the previous December 31 Yes No

8. A nondepository institution is deemed to have a branch office in an MSA or MD if, in the preceding calendar year, it received applications for, originated, or purchased five or more home purchase loans, home improvement loans, or refinancings in that MSA or MD.

b. The mortgage subsidiary originated at least 100 home purchase loans (including refinancings of home purchase loans) in the preceding calendar year — Yes No

If the answers to questions 6–8 are ''yes,'' the mortgage subsidiary is subject to the requirements of HMDA and Regulation C. If the depository institution that has a majority interest in the mortgage subsidiary is also subject to HMDA and Regulation C, the examiner should complete a separate checklist for each entity, beginning with question 9 for the mortgage subsidiary. If the depository institution that has a majority interest in the mortgage subsidiary is not subject to Regulation C and HMDA, the examiner should use the remaining portion of this checklist for the mortgage subsidiary. The examiner should note the financial institution to which the remaining checklist questions apply.

Compilation of Loan Data

9. Does the financial institution collect the following data in accordance with section 203.4(a) and appendix A of the regulation?

a. An identifying number (that does not include the applicant's name or Social Security number) for the loan or loan application, and the date the application was received (§203.4(a)(1))	Yes	No
b. The type of the loan or application (§ 203.4(a)(2))	Yes	No
c. The purpose of the loan or application (§203.4(a)(3))	Yes	No
d. Whether the application was for a preapproval, and whether it resulted in a denial or an origination (§203.4(a)(4))	Yes	No
e. The property type to which the loan or application relates (§203.4(a)(5))	Yes	No
f. The owner-occupancy status of the property to which the loan or application relates (§203.4(a)(6))	Yes	No
g. The loan amount or the amount requested on the application (§203.4(a)(7))	Yes	No
h. The type of action taken (§203.4(a)(8))	Yes	No
i. The date such action was taken (§ 203.4(a)(8))	Yes	No
j. The location of the property to which the loan or application relates, by (§203.4(a)(9))		
i. MSA or MD number (5 digits)	Yes	No
ii. State (2 digits)	Yes	No
iii. County (3 digits)	Yes	No
iv. Census tract number (6 digits)	Yes	No
k. The ethnicity and race of the applicant or borrower (§ 203.4(a)(10))	Yes	No
l. The ethnicity and race of the co-applicant or co-borrower (§ 203.4(a)(10))	Yes	No
m. The sex of the applicant or borrower (§203.4(a)(10))	Yes	No
n. The sex of the co-applicant or co-borrower (§203.4(a)(10))	Yes	No

Note: Collection of data on ethnicity, race, and sex is mandatory for all transactions unless the financial institution purchased the loans or the borrower is not a natural person (that is, is a corporation or partnership).

o. The gross annual income relied on in processing the applicant's request (§ 203.4(a)(10)) Yes No

Note: Collection of data on annual income is mandatory for all transactions unless the financial institution purchased the loan, the borrower is not a natural person, the loan is for a multifamily dwelling, income was not relied on in the credit decision, or the loan was made to an employee.

p. The type of entity purchasing a loan that the financial institution originates or purchases and then sells within the same calendar year (§203.4(a)(11)) Yes No

q. For originated loans subject to Regulation Z, the difference between the loan's APR and the average prime offer rate for a comparable transaction as of the date the interest is set, if that difference is equal to or greater than 1.5 percentage points for first lien loans or equal to or greater than 3.5 percentage points for subordinate lien loans on a dwelling. (§203.4(a)(12)) Yes No

r. Whether the loan is subject to HOEPA (§203.4(a)(13)) Yes No

s. The lien status of the property relating to the loan or application (§203.4(a)(14)) Yes No

t. Does the institution provide the reasons for denial of an application? (§203.4(c)(1)) Yes No

If it does, are the reasons accurate? Yes No

u. Is the HMDA-LAR updated within thirty calendar days after the end of the quarter in which final action is taken? (§203.4(a)) Yes No

10. Does the institution request ethnicity, race, and sex data for all telephone, mail, and Internet applications in accordance with appendix B to Regulation C? (§ 203.4(b)(1)) Yes No

11. For applications taken face to face, does the institution note data concerning ethnicity, race, and sex on the basis of visual observation or surname if the applicant chooses not to provide this information? (§ 203.4(b)(1)) Yes No

Note: If the applicant fails to provide this information in mail, telephone, or Internet applications, ethnicity, race, and sex are not recorded; instead, an applicable code number is provided—ethnicity, 3; race, 6; and sex, 3 (''NA'' should not be used for these three situations).

Disclosure and Reporting

12. Is the loan or applicant data presented in the format prescribed in appendix A to Regulation C? (§203.4(a)) Yes No

13. Has the institution reported all applications for, originations of, and purchases of home purchase loans, home improvement loans, and refinancings? (§203.4(a)) Yes No

14. Has the financial institution refrained from reporting the following? (§203.4(d))

a. Loans originated or purchased by the financial institution acting in a fiduciary capacity (such as trustee) Yes No

b. Loans on unimproved land Yes No

c. Temporary financing (such as a bridge or construction loan) Yes No

d. Purchase of an interest in a pool of loans (such as mortgage-participation certificates, mortgage-backed securities, or real estate mortgage investment conduits) Yes No

e. Purchase solely of the right to service loans Yes No

f. Loans originated prior to the current reporting year and acquired as part of a merger or acquisition or as part of the acquisition of all assets and liabilities of a branch office	Yes	No
g. A refinancing if, under the loan agreement, the financial institution is unconditionally obligated to refinance the obligation, or is obligated to refinance the obligation subject to conditions under the borrower's control (Regulation C, appendix A, I(A)(5a))	Yes	No
15. Did the financial institution submit its completed HMDA-LAR to the appropriate supervisory agency in automated machine-readable format by March 1 following the calendar year during which the data were compiled? (§ 203.5(a))	Yes	No
Note: Financial institutions that report twenty-five or fewer entries on their HMDA-LAR may collect and report their HMDA data in paper form. Financial institutions opting to submit their data in such a manner must send two typed or computer-printed copies. The institution must use the format of the HMDA-LAR but need not use the form itself.		
16. Has an officer of the financial institution signed the HMDA-LAR transmittal sheet certifying the accuracy of the data contained in the register?	Yes	No
17. Is the transmittal sheet accurately completed?	Yes	No
18. Has the financial institution maintained its HMDA-LAR in its records for at least three years? (§ 203.5(a))	Yes	No
19. Has the financial institution made its FFIEC-prepared disclosure statement		
a. Available to the public at its home office no later than three business days after receiving it from the FFIEC and	Yes	No
b. Available within ten business days in at least one branch office in each additional MSA or MD in which it has offices; or posted, in the lobby of each branch office in other MSAs or MDs in which it has offices, the address to which written requests should be sent, and delivered a copy of the disclosure statement within fifteen calendar days of receiving a written request (§ 203.5(b))	Yes	No
20. Has the financial institution made its modified HMDA-LAR (modified by removal of loan application numbers, dates applications were received, and dates of action taken) for the preceding calendar year available to the public by March 31 for requests received on or before March 1 and within thirty days for requests received after March 1? (§ 203.5(c))	Yes	No
21. Has the financial institution retained its modified HMDA-LARs for three years?	Yes	No
Does the institution have policies and procedures to ensure that its modified HMDA-LARs are available to the public during that term? (§ 203.5(d))	Yes	No
22. Has the financial institution retained its disclosure statements for five years? (§ 203.5(d))	Yes	No
23. Does the financial institution have policies and procedures to ensure that its disclosure statements are available to the public during that term? (§ 203.5(d))	Yes	No
24. Does the financial institution make its modified HMDA-LARs and disclosure statements available for inspection and copying during the hours the office is normally open to the public for business?	Yes	No
If it imposes a fee for costs incurred in providing or reproducing the data, is the fee reasonable? (§ 203.5(d))	Yes	No
25. Has the financial institution posted a general notice about the availability of its disclosure statement in the lobby of its home office and in each branch office located in an MSA? (§ 203.5(e))	Yes	No

26. Does the institution provide promptly, upon request, the location of the institution's offices where the statement is available for inspection and copying, or include the location in the lobby notice? (§203.5(e)) Yes No

27. Did errors occur in the previous reporting period? (Review the financial institution's most recent disclosure statement, HMDA-LAR, modified HMDA-LAR, and any applicable correspondence from the regulatory agency, such as notices of noncompliance.) Yes No

28. If errors did occur, has the financial institution taken appropriate steps to correct and prevent such errors in the future?

    a. Do individuals who are responsible for all data entry

        i. Receive appropriate training in the completion of the HMDA-LAR Yes No

        ii. Receive copies of Regulation C, including instructions for completion of the HMDA-LAR and the FFIEC publication "A Guide to HMDA Reporting: Getting it Right!" Yes No

        iii. Know whom to contact, at the financial institution or the institution's supervisory agency, if they have questions not answered by the written materials Yes No

    b. Are the financial institution's loan officers, including loan officers in the commercial loan department who may handle loan applications for HMDA reportable loans (such as multifamily and mixed-use properties and small business refinances secured by residential real estate),

        i. Informed of the reporting requirements so they can assemble the necessary information, and do they understand the importance of accuracy Yes No

        ii. Familiar with the disclosure statements that are produced from the data and cognizant of the ramifications for the financial institution if the data are wrong Yes No

        iii. Do they maintain appropriate documentation of the information entered on the HMDA-LAR? Yes No

    c. If data are collected at more than one branch, are the appropriate personnel sufficiently trained to ensure that all branches report data using the same guidelines? Yes No

    d. Does the financial institution have internal control processes to ensure that the individuals who capture and code the data are doing so accurately and consistently? Yes No

    e. Does the financial institution have established controls to ensure the separation of duties (for example, data entry, review, oversight, and approval)? Yes No