

Home Mortgage Disclosure Act Public Hearings, September 16, 2010  
Welcome and Opening Remarks: Elizabeth Duke

Elizabeth Duke:

Thank you. Good morning, on behalf of the Board of Governors of the Federal Reserve System, I'd like to welcome everyone to the third in a series of four public hearings, held to consider changes to the Home Mortgage Disclosure Act, otherwise known as HMDA. I also like to express my appreciation to Dan Sullivan, to Charlie Evanson to Alicia and all our colleagues here, Federal Reserve Bank of Chicago for hosting us today. The information from these hearings will help us to assess the adequacy of current mortgage data, examine the need for additional data and explore possible changes to Regulation C, which implements HMDA. Should also point out that shortly after the board's hearings got under way, the Dodd-Frank Regulatory Reform Act was signed into the law. The act provides for some changes to the HMDA data collection and submission. We look forward to comments about implementation of these changes as well as others that our panelists and member of the public might recommend based on their experience. In addition, the new legislation will transfer authority for HMDA rule-making from the board of governors to the new Consumer Financial Protection Bureau. All information gleaned from these hearings will inform our own work for the time that we continue to have rule writing authority and then when that authority transfers to the CFPB, be assured that we will hand over the most current thinking about changes to Regulation C.

Over the course of these hearings, first in Atlanta and San Francisco and today here in Chicago, we've been hearing from key players in the Home Mortgage Market. Lenders and other market participants, academics and researchers, consumer advocacy and community development organizations, data experts, regulators, and other public officials. Although they play different roles, we believe all share a common goal: ensuring that the mortgage market is one that 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 do help us understand what's happening in the market. And while HMDA data cannot solve all market problems, the time is certainly right for reviewing and revising the data elements, standards and reporting formats. HMDA has three purposes, one is to provide the public and government officials with data that will help show whether lenders are serving the housing needs of the neighborhoods and communities in which they're 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 antidiscrimination laws such as the Equal Credit Opportunity Act. Today's hearing is intended to serve as a venue to discuss whether or not the 2002 revisions to Regulation C, provided useful and accurate information about the mortgage market, to gather information that will help assess the need for additional data elements or improvements and to identify emerging issues in the mortgage market that may require additional research. As I said earlier, we're also interested in any comments on the implementation of the HMDA elements of the new Regulatory Reform Legislation. We've gathered this morning an impressive array of panelists representing a broad spectrum of vantage points. We look forward to their comments. This input, together with comments made in the other hearings and written comments submitted by the public, will be carefully weighed as we consider changes to regulation C. And so I think

with that it's time to get started. The first panel is indeed, does indeed represent a broad spectrum of expertise. We have Janice Bowdler, who is Deputy Director of the Wealth Building Policy Project at the National Council of La Raza. Calvin Bradford, member of the Board of Directors of National People's Action. Janine Catalano, Special Advisor, Promontory Financial Group, LLC. Dan Imhoff, Vice President and Residential Lending Manager, State Bank of Cross Plains. Greg Ohlendorf, President and CEO, First Community Bank and Trust and Jeff Smith, Senior Vice President, Woodstock Institute. And with that, Janice, we'll let you get started.