Oral Remarks by Mike Long
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FRB Public Hearing on HMDA
September 16, 2010

Good Morning. Thank you in advance to our hosts at the Federal Reserve Board for accepting my offer to participate in this hearing on the Home Mortgage Disclosure Act.

My name is Mike Long. I serve as the Executive Vice President & Chief Credit Officer of UW Credit Union based in Madison, WI. UW Credit Union serves nearly 150,000 members. Our assets today total over $1.2 billion, placing us among the largest credit unions in Wisconsin.

UW Credit Union is proud of its service to its members' real estate loan needs. In 2009, we financed nearly $625 million in first mortgages assisting record number of members purchase their home or refinance their existing mortgage to take advantage of today's low interest rates. We consistently rank as one of the top lenders in our primary market area of Dane County, WI.

I believe that HMDA has done an adequate job in ensuring that consumers have fair access to home financing options within their community. The data is undoubtedly helpful to determine which institutions are doing this better than others and assist public officials in assessing whether institutions are participating in discriminatory lending practices.

That being said, it may be prudent for HMDA to expand the type of data collected if the additional data elements would further the cause of ensuring fair lending and anti-discriminatory practices. It is becoming increasingly easy for lenders to mine their databases so the collection of data should not be problematic.

Some areas to consider would be:

- Loan to value ratios
- Debt to income ratios
- Existence of prepayment penalties

These three in particular might lend some insight into discriminatory practices that may be occurring by market area and/or ethnicity.

With regards to the exemption from HMDA reporting, non-depository lenders such as mortgage brokers should be subject to the same HMDA thresholds that apply to regulated financial institutions. I would argue that the asset size of an institution would be almost irrelevant in the determination of HMDA reporting thresholds. It's the number of HMDA reportable loans that should make that determination.

Generally, the current definition of reportable loans under HMDA is appropriate. However, it would be much easier for reporting institutions to report the available limit on HELOCs without regard to which portion was used for home improvement. In addition, it is very difficult to accurately determine the use of unsecured funds for home improvement. As such, unsecured home improvement loans should be removed from HMDA reporting.

A review of reverse mortgages should be conducted to determine if they should be HMDA reportable. Increasingly seniors are being targeted for this creative financing option. Many times these borrowers are the most vulnerable. As more potential borrowers become eligible it would be sensible to include these as reportable under HMDA to ensure that there are no discriminatory factors or excessive fees occurring in this segment as well.

Finally, institutions must be given sufficient time to prepare for any changes. Generally, a 24-month period should be adequate for most institutions to implement changes to their systems.

Thank you again for allowing UW Credit Union to participate. We look forward to seeing this issue progress.