REMARKS

OF

MS. TONYA GREEN
DIRECTOR, CONSUMER COMPLIANCE AND OUTREACH
OFFICE OF CONSUMER PROTECTION
NATIONAL CREDIT UNION ADMINISTRATION

FOR

HOME MORTGAGE DISCLOSURE ACT PUBLIC HEARING

FEDERAL RESERVE BOARD
WASHINGTON, DC

SEPTEMBER 24, 2010

I. Introduction

The National Credit Union Administration's (NCUA) primary mission is to ensure the safety and soundness of federally insured credit unions, as well as their compliance with applicable federal regulations. It performs this function by examining all federal credit unions (FCUs), participating in the supervision of federally insured, state-chartered credit unions (FISCUs) in coordination with state regulators, and insuring credit union member accounts. In its statutory role as the administrator for the National Credit Union Share Insurance Fund (NCUSIF), the NCUA provides oversight and supervision to 7,554 federally insured credit unions, representing approximately 98 percent of all credit unions and approximately 90 million members.[1]

The NCUA regulates and insures all FCUs and insures most state-chartered credit unions. Under this framework, the NCUA is responsible for enforcing regulations in FCUs and evaluating safety and soundness in all federally insured credit unions. The NCUA is also responsible for monitoring and ensuring compliance with most federal consumer laws and regulations in FCUs. In federally insured, state-chartered credit unions, the appropriate state supervisory authority has regulatory oversight and enforces state consumer laws and regulations.

II. Home Mortgage Disclosure Act/Regulation C

The Home Mortgage Disclosure Act was enacted by Congress in 1975 and is implemented under Regulation C. The regulation sets forth requirements for financial institutions, including credit unions, to maintain and annually disclose data about home

[1] Approximately 155 state-chartered credit unions are privately insured.

purchases, home purchase pre-approvals, home improvement, and refinance applications involving 1- to 4-unit and multifamily dwellings. HMDA requires lending institutions to report public loan data to help determine whether financial institutions are serving the housing needs of their communities; to assist public officials in distributing public-sector investment to attract private investment to areas where it is needed; and to assist in identifying possible discriminatory lending.

As of December 31, 2009, credit unions and other financial institutions with assets over $39 million must provide data about home purchase loans, home improvement loans, and refinancings that it originates or purchases, or for which it receives applications. That data includes information about the loan type, action taken on the application, loan amount, and specific information about ethnicity, race, and sex of applicants.

Regulation C sets out procedures for disclosing mortgage lending data to the public. NCUA has administrative enforcement authority over all credit unions for violations of HMDA and Regulation C, including the imposition of civil money penalties.[2] NCUA has exercised this authority to penalize credit unions that were late in submitting or intentionally reported incorrect HMDA data.

In addition to administrative enforcement, NCUA uses HMDA data s a basis for implementating fair lending examination procedures developed by the Federal Financial Institutions Examination Council. NCUA uses the examination process, along with member complaint trends, to evaluate fair lending in credit unions. NCUA recently

[2] 12 U.S.C. 2804(b)(3); 12 U.S.C. 1751 *et seq.*

centralized resources and employees under the supervision of the Office of Consumer Protection, Division of Consumer Compliance and Outreach to conduct fair lending examinations and manage the member complaint process.

III. Revisions to HMDA

The Dodd-Frank Wall Street Reform and Consumer Protection Act requires mortgage lenders to disclose additional information, including the age of applicant, an applicant's credit score, loan amounts, points and fees, lending terms, property value, payment options, and other information.[3] NCUA supports the implementation of the changes and will work to ensure credit union respondents complete the loan/application registers accurately and on a timely basis. NCUA will work with interagency groups to develop resources for respondents to use when completing loan/application registers. NCUA has no recommendations regarding other information mortgage lenders should be required to disclose under HMDA.

IV. Conclusion

In summary, HMDA data is a useful supervision and enforcement tool. NCUA remains willing to work with the FFIEC to implement the new statutory requirements. The long term reduction of discriminatory practices depends primarily on consumer education and the timely identification and correction of problems. NCUA continues to support national financial literacy initiatives to ensure consumers understand their rights. The agency has also invested in centralizing resources and training staff to better identify

[3] Pub. L. 111-203, §1094 (July 21, 2010).

potential examples of disparate treatment and disparate impact in mortgage lending practices.

The NCUA is committed to providing strong regulatory and supervisory controls and monitoring federally insured credit unions to ensure member protection. As the Agencies continue deliberations on policies that would prevent unfair or discriminatory mortgage lending practices, the NCUA will continue to ensure credit union compliance with all federal laws and fulfill its enforcement responsibilities for any regulatory or statutory changes.