

Home Mortgage Disclosure Act Public Hearings, August 5, 2010  
Welcome and Opening Remarks: Sandra Braunstein

Sandra Braunstein:

Thank you very much, President Yellen, and we're very pleased to be here in San Francisco. And in case you didn't notice it when you walked in the door, this is the Janet Yellen Conference Center, so she needs no introduction. And I will say that San Francisco's loss is Washington's gain, because as you may know, President Yellen is slated, hopefully, to be the next Vice Chair of the Board of Governors, and those of us in Washington are really looking forward to working with her; some of us are working with her once again since she was in Washington before, and we are very much looking forward to that opportunity.

[Applause.]

Sandra Braunstein:

So, for today, on behalf of the Board of Governors of the Federal Reserve system, I'd like to welcome everybody to today's public hearing. I also want to express my appreciation to Joy Hoffman and her staff and our other colleagues at the Federal Reserve Bank of San Francisco for hosting us today and making this possible. I'm pleased to be here as we continue the Board's public hearings under the Home Mortgage Disclosure Act, or HMDA, to assess the adequacies of the current mortgage data and examine the need for additional data.

Today's hearing is the second in a series of four hearings that we are hoping to explore possible changes to Regulation C which implements HMDA. I should point out first, though, that since we began planning these hearings, the world has changed a bit. Changes to HMDA data were included in the Regulatory Reform Bill that was recently signed into law. We look forward to comments regarding the implementation of those changes as well as other changes that our panelists and members of the public might recommend, based on their experience.

In addition, the new legislation will transfer the authority for HMDA rulemaking from the Board of Governors to the new Consumer Financial Protection Bureau. All the information that we glean through these hearings will inform our own rulemaking efforts for the time that we continue to have that rulemaking authority, and we will continue to have that up until the transfer date, which has not been set yet.

When that authority does transfer to the new bureau, please be assured that we will hand over all the information in our most current thinking about changes to Regulation C.

Over the course of these hearings, we will hear from the key players in the home mortgage market 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, all share a common goal insuring 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 do help us understand what is happening in the market. In some cases, the lack of adequate and reliable data may have hindered the policymakers' ability to sufficiently assess these market conditions and craft policy responses accordingly. While HMDA data alone cannot solve all the market problems, the time is certainly ripe for reviewing and revising the data elements, standards, and reporting frames.

HMDA has three purposes according to the law. One purpose 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 are located.

Our second purpose is to help government officials target public investment to promote private investment where it is needed. And our third purpose is to provide data to assist in identifying possible discriminatory lending practices and patterns and facilitate the enforcement of the anti-discrimination 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 are also interested in any comments on the implementation of the HMDA elements of the regulatory reform legislation.

We have gathered this morning a quite impressive array of panelists, representing a spectrum of vantage points. We look forward to their comments and also the comments of panelists and upcoming hearings in both Chicago and Washington, D.C. This, together with the written comments submitted from the public, will be carefully considered as we look at changes to Regulation C.

And with that, I want to just go over a few housekeeping notes.

First of all, I want to mention that this hearing will be part of a public record and that there will be transcripts from this, and all four of our hearings. We had one in Atlanta a couple weeks ago, and as I mentioned, we have two more coming after this one, one in Chicago and one in Washington.

Those transcripts will be made available. They will be posted to our website. I'm not sure that the Atlanta one's up yet, but it should be shortly. It is up?

Oh, okay. I'm sure that it is on our website. This one will follow shortly.

The panelists and other members of the public who are not going to speak today are very much encouraged to submit written comments, and the instructions for how to send us those written comments are on the Board's website, so please check that out.

Each panelist will be given the opportunity for a five-minute opening statement, and we do have a timekeeper to let you know if you're going over, because we want to make sure everybody gets a chance to speak, and then we want to give our panel a chance to ask questions.

So the timekeeper -- Maggie -- could you please raise your hand? While you're speaking, please keep an eye on Maggie, she'll give you warning signs and tell you that your five minutes are up, and if you don't pay attention to that, then I'll intervene, which you don't want. So.....

Okay. Thank you.

We're going to have two panels this morning. We have one now. We have one following at 10:30. Then we will have an open-mike session. And for people who are interested in the open mike-session, if you have not done so, please sign up. And is that out in the hallway? Okay. Please sign up for the open-mic session if you're interested in speaking.

So the panels are 90 minutes each and we're going to start the panel.

The first thing I want to do is introduce our panelists this morning. So, first, we have to my immediate right -- that's interesting, on my right instead of my left. To my immediate right is Orson Aguilar from the Greenlining Institute. We have John Courson from the Mortgage Bankers Association. We have Claudia Monterrosa, who's from the Los Angeles Housing Department; David Moskowitz, from Wells Fargo; Garry Seligson from Chase Home Lending; and Kevin Stein from the California Reinvestment Coalition.

With that, we can start the opening comments.

Orson, would you like to go ahead?