

Home Mortgage Disclosure Act Public Hearings, September 24, 2010
Opening Remarks: Elizabeth Duke

ELIZABETH DUKE:

Let's get started. First of all, on behalf of the Board of Governors of the Federal Reserve System, I would like to welcome everyone to the last of our series of public hearings held to discuss changes to the Home Mortgage Disclosure Act. The knowledge and the feedback we have gained from these hearings will help us assess the adequacy of current mortgage data, examine the need for additional data and explore possible changes to Regulation C, which implements HMDA.

I would like to thank our colleagues at the Federal Reserve Banks of Atlanta, San Francisco and Chicago for hosting the first three hearings. Our series of hearings kicked off just as Congress passed regulatory reform legislation earlier this summer. The Dodd-Frank Act provides for some changes to HMDA data collection and submission, and we look forward to hearing from our panelists and members of the public about the implementation of these changes.

The new law also transfers 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 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, we have heard 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 that all share a common goal: to ensure that the mortgage market is responsible, transparent, efficient and serves the needs of consumers and market participants alike.

The recent mortgage crisis has highlighted the potential ramifications of a mortgage market that is not functioning well. HMDA data do not create the market or solve all market problems, but they do help us to understand what's happening in the market. 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 to show whether lenders are serving the housing needs of the neighborhoods and communities in which they are 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 and 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 regulatory reform legislation. We have gathered this morning an impressive array of panelists representing a broad spectrum of vantage points, and we look forward to their comments. This input, together with the input of the preceding hearings and written comments submitted from the public will be carefully weighed as we consider changes to Regulation C.

And now I would like to turn to some housekeeping details. First of all, this hearing will be part of the public record and our assessment of possible changes to HMDA, and transcripts will be made available. Panelists and members of the public are actively encouraged to submit written comments, and you can find instructions for submitting a written comment on the Federal Reserve Board website.

Each panelist will be given a maximum of five minutes for opening remarks. Let me apologize in advance. We want to ensure that everybody has a chance to speak and so we have a mean girl up here and she's --

[Laughter]

-- she's going to be working the light system. The green is, of course, when you start. When you have two minutes left, it will turn yellow and she will hold up a two minute sign, thusly. And then when your time is up, it will turn red. A buzzer will beep and she will hold up a stop sign. Please feel free to finish your sentence.

Then following the panels, we will have one hour of open mic for audience members who wish to speak on the record. If you wish to speak in the open mic period and you have not already signed up, please do so now. We will take speakers in the order in which they signed in, and the speakers will be limited to five minutes each. We will take as many as we can accommodate in the hour that's allotted.

And now --

Male Voice :
Sign up.

ELIZABETH DUKE:
The sign up is right outside that door.

Now let me introduce the presiding panel. We are fortunate that we have a Consumer Advisory Council that we meet with several times a year, and they bring us very important information about what's going on in the consumer market place and from the field, and so for the first time in these hearings, we have been able to utilize members of the CAC as parts of our panel. We are pleased to have Paula Bryant Ellis, who is senior vice president of BOK Financial Corporation who is with us today. She will be with us for the first panel and then for the second and the third panel, we will have Michael Calhoun, who is president of the Center for Responsible Lending and also chairman this year of the CAC. In addition, we have the

leadership of the consumer and the community affairs division of the Federal Reserve Board. Sandy Braunstein is director, and Leonard Chanin, deputy director.

And so with that, thank you for all of you for being here on this panel and let me turn to panel one, where we have Jay Brinkmann, chief economist and senior vice president of research and economics for the Mortgage Bankers Association; Thomas Noto, associate general counsel at Bank of America; Lisa Rice, vice president National Fair Housing Alliance; Cy Richardson, vice president housing and community development, National Urban League; Faith Schwartz, senior advisor to the Hope Now Alliance; and Josh Silver, vice president of research and policy, National Community Reinvestment Coalition.

Thank you all for being here, and Mr. Brinkmann, you may begin.