

Home Mortgage Disclosure Act Public Hearings, September 16, 2010
Welcome and Opening Remarks: Janice Bowdler

Janice Bowdler:

Great, thank you for letting me kick us off. So as you mentioned, my name is Janice Bowdler. I'm the Deputy Director of the Wealth Building Policy Project at National Council of La Raza. NCLR is the nation's largest Hispanic civil rights organization, and my project helps families, low income Latino families, obtain assets, hopefully assets that they can share with their children. And that is a much more complicated question these days than it was maybe five or 10 years ago. And I want to start just by thanking you for holding these hearings and really not wasting any time. As you mentioned, much of this will get transferred to CFPD, but these questions we need to start grappling with now and I really commend you for that. It might be the understatement of the morning to say that the mortgage market has changed dramatically since HMDA has passed, and so revisiting how implementation of HMDA needs to be updated to meet those public goals is critical. I also think it's important to think of how far we've come. I mean, HMDA is this data collection tool that is often referred to as burdensome, and yet there's a clear public demand for this data. Advocates, scholars use it to compare lending across their peers, but more and more I see lenders using their own HMDA data to promote their own performance so it's gathered this wide acceptance across industry and different segments of our society.

Yet despite the solid foundation that HMDA has for us, it still hasn't allowed us to get to, in my view, one of the most important of the three goals and that's detecting discrimination. And what we often hear from lenders is that there's not enough information in HMDA to really solve for the complicated decision-making process that goes on in mortgage origination. Now hopefully some of the additional data that will be collected as part of Dodd-Frank, will really help us get to the bottom of that, and I look forward to talking about that. So what I want to do this morning to get us started is just briefly consider what about HMDA really works, make some recommendations for some other things that I think you can do with HMDA, and then just two points on, a couple of things that will make HMDA more accessible to the public.

So just briefly, you know what works about HMDA I think is almost second nature to us. Now it seems common sense but I think it's worth repeating as we consider changing it. One is that it's standardized and before HMDA we didn't have a way to compare lenders and their lending information against each other and against geography. So if we start considering any sort of changes based on size of entities, we need to keep that in mind. It's publicly accessible. Not all of the data is publicly accessible as I would like but it is accessible. And then, of course, the key data fields. So four things, just briefly, that we can do beyond what is in Dodd-Frank. One is that we need to collect records on performance. If the financial crisis has taught us anything, it's that proof is in performance and servicing really matters, on whether or not somebody is going to be successful in that loan. We need to collect information on a wide array of loan types: HELOCs, second liens, reverse mortgages, we need to understand the total package at origination. Collect on a broader set of data fields. I have more about this in my summary but just briefly, we need to know whether or not loans are coming online or if they're coming retail or coming from brokers. The wholesale market is really, has diminished quite a bit but it will come back and we need to know who is representing terms of a loan to a borrower. And finally,

we need to expand data collection, in particular to home mortgage insurance. I'm sorry, not mortgage insurance but homeowners' insurance.

And then let me just close with two things that will make HMDA more accessible to the public. The first is maximizing the efficiency of the data collection. Right now if you go on FFIEC's website, they have data through 2008. It lags by about 18 months. Modern technology, we should be able to get that much quicker. HAMP data we can get month by month. I would love to see HMDA month by month, but I'm told that doesn't always pass the laugh test [laughter] so I'd like to at least make a push for quarterly. Certainly I think technology allows us to get that data much more quickly and efficiently than we have. And then the last one is really almost a personal request and that is to take a look at the format in which HMDA is available on the website, and it used to be available in an HTML format, now it's available on PDF. The Census Bureau has an excellent model for how data can be distributed.