

Home Mortgage Disclosure Act Public Hearings, September 24, 2010  
Panel Three: Tonya Green

TONYA GREEN:

Good afternoon, Governor Duke and Chairman Calhoun and Fed staff. Thank you for allowing NCUA to participate in these hearings today. The National Credit Union Administration's primary mission is to ensure the safety and soundness of federally insured credit unions as well as their appliance with applicable federal regulations. It performs this function by examining all federal credit unions, participating in the supervision of federally insured state chartered credit unions in coordination with state regulators, and ensuring credit union member accounts.

In its statutory role as the administrator of the national credit union share insurance fund, the NCUA provides oversight and administration to approximately 7,554 federally insured credit unions, representing approximately 98 percent of all credit unions in the nation and approximately 90 million members.

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

As of December 31, 2009, credit unions with assets over \$39 million must provide data about home purchase loans, home improvement loans, and refinancings that they originate or purchase or for which they receive 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, which implements HMDA, sets our procedures for disclosing mortgage lending data to the public. NCUA has administrative enforcement authority over all credit unions for violations of HMDA and Reg C, including the imposition of civil money penalties.

NCUA has exercised the authority to penalize credit unions that were late in submitting or intentionally reported incorrect HMDA data. In addition to administrative enforcement, NCUA uses HMDA as a basis for implementing fair lending examination procedures developed by the Federal Financial Institutions Examinations council.

NCUA uses the examination process, along with member complaint trends, to evaluate fair lending and credit unions. NCUA recently centralized resources and employees under the supervision of the Office of Consumer Protection, the division of Consumer Compliance and Outreach, to conduct fair lending examinations and manage the member complaint process.

The Dodd-Frank Wall Street Reform and Consumer Protection Act requires mortgage lenders to disclose additional information, including the age of applicants and other data. 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 the loan application registers.

NCUA has no recommendations regarding other information mortgage lenders should be required to disclose.

In summary, HMDA data is a useful supervision and enforcement tool for NCUA. 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 the national financial literacy initiatives to ensure consumers understand their rights. The agency has also invested in centralizing resources and training staff to better identify potential examples of desperate treatment and disparity impact in mortgage lending practices.

NCUA is committed to providing strong regulatory and supervisory controls in monitoring federal insured credit unions to ensure member protection. As the agencies continue deliberations on policies that prevent unfair or discriminatory practices, the NCUA will continue to ensure credit unions comply with all federal laws and fulfill its enforcement responsibilities for any regulatory and statutory changes. Thank you. And I look forward to answering your questions.