

Home Mortgage Disclosure Act Public Hearing, September 16, 2010  
Panel Two: Mike Long

Mike Long:

Good morning, thank you for inviting me to participate in this hearing. Glad to see a credit union in the mix, alright, liking that. But my name is Mike Long I'm the Executive Vice President and Chief Credit Officer of UW Credit Union. I'm also very active with the Credit Union National Association which is the trade association for credit unions and our members, and so I'm on the Executive Committee of the Cuno Lending Council and I also serve as the Chairman of the Regulatory and Legislative Subcommittee, so glad to be able to represent the voice of credit unions as it relates to HMDA reporting. UW Credit Union is a large credit union by credit union standards we're \$1.2 billion in assets. We compete primarily in Dane County. Last year we did about \$625 million in residential real estate mortgages, primarily home purchases and refinances due to the obviously low interest environment we're in. And I really believe that HMDA does an adequate job in ensuring that consumers have fair access to home financing options within their community. You know one of the core values of credit unions is to improve the financial well-being of people, and the HMDA data that is available helps us really evaluate whether or not we're staying true to that mission. You know we really do have a little bit different view of the world than some of our bank competitors.

That being said I think it may be prudent for HMDA to expand the type of data collected if the additional data elements would further the cause of ensuring fair lending and anti-discriminatory practices. It really is becoming increasingly easy for lenders to mine our data bases, so the collection of data should really not be that problematic for us. As long as we can insure that the privacy of our members and our customers is protected. I think some areas that we've talked about this morning that you should consider including would be loan to value ratios, debt to income ratios and the existence of prepayment penalties at the loan record. I think these three in particular might lend some insight into discriminatory practices that may be occurring by market area and or ethnicity. And with regard to the exemption from HMDA reporting's been many on the panel that have already talked about requiring nondepository lenders such as mortgage brokers being subject to HMDA thresholds. And also I would say that the current reporting requirement is based on asset size of the institution. I think that's really almost irrelevant; it should be based on the number of mortgage transactions that the financial institution might make in a given year. And I think generally the current definition of reportable loans under HMDA is appropriate. I would certainly support not having to report unsecured home improvement loans or HELOCs at all, quite frankly, because, again, as has been stated by many of the other panelists consumers use these for a number of different reasons so it's really hard for us as lenders to try to narrow in on what portion of if any they were using for home improvement. And, again, sounding like a broken record and getting to your point I think reverse mortgages should be considered as HMDA reportable. Increasingly seniors are being targeted by what I consider to be sort of a nonprime mortgage loan and many times as has been stated already these loans are accompanied by excessive fees, so we want to make sure that we're able to have oversight over that particular segment of the marketplace.

One thing that hasn't really been noted is how long will it take us to implement these changes and I think it would be fair if we had 24 months to implement these changes. Certainly data is

readily available we can program our systems. But it has been stated, you know, the compliance resources have been strained over the last couple of years. Certainly with things like Reg Z, Credit Card Act, Safe Act, Fact Act, you know, one after the other, so it would be nice for us to have some time to acclimate our systems in order to be able to maintain our compliance with HMDA. So, again, thank you for allowing UW Credit Union's and the credit union industry to participate. I look forward to seeing how this issue progresses, thank you.