

Home Mortgage Disclosure Act Public Hearing, September 16, 2010
Panel Two: Angelo Vitale

Angelo Vitale:

My name is Angelo Vitale, and I am Vice President and Corporate Counsel of Quicken Loans. I appreciate your invitation to participate in today's hearings regarding potential revisions to HMDA. Quicken Loans is the nation's largest online retail mortgage lender and one of the largest overall retail home lenders in the United States. In 2009, we closed more than 123,000 conventional FHA/MBA loans totaling over \$25 billion in retail home loan value. Accordingly, we devote significant time and attention and resources to our ongoing compliance efforts, especially as it relates to fair lending. We are committed to doing the right thing.

One of the reasons HMDA was enacted was to assist and identify possible discriminatory lending patterns. Regulators have publicly acknowledged that analysis of HMDA data in and of itself does not prove or disprove discrimination. However, review of the data is helpful in determining whether a deeper dive into the entire content of underlying loan files may be warranted. Law-abiding residential mortgage lenders have no quarrel with this objective. In fact, we closely review the HMDA data to measure our own individual performance, and we use it as a comparative to other lenders' performance utilizing the aggregated data compiled by the FFIEC. However, we are also acutely aware of the reasonable expectations of our customers that we will respect and safeguard their privacy in their dealings with us. Consumers entrust us with highly sensitive personal financial information, which we need in order to carefully evaluate their financial condition and assist them in deciding whether to enter into a substantial loan repayment obligation in exchange for which they offer the very roof over their heads as collateral. I cannot express strongly enough that the public's need for transparency through access to HMDA data must be very carefully balanced with legitimate privacy rights and expectations of mortgage applicants. The board must be cognizant to the extent HMDA data, either on a stand-alone basis or in conjunction with other publicly-available data, can be used to identify individuals, such data should not under any circumstances be made publicly available.

Even though lenders and regulators may find the expansion of HMDA recording requirements by including data such as loan value and debt-to-income ratios to be useful in evaluating lending patterns, the professed need for access for such data by the public is far less compelling, and may intrude on the legitimate privacy rights and expectations of loan applicants. Further, to the extent the board is considering expanding the scope and coverage of HMDA to require reporting by additional types of institutions, such as mortgage brokers and smaller lenders, we are of the opinion that such an expansion may, indeed, be warranted. The collection of pertinent data from a wider array of entities will likely provide a more accurate picture of national and local lending patterns, and may assist all lenders, regulatory agencies, and the public in comparing lender performance using the aggregated data compiled by the FFIEC. However, it is imperative that the board, in considering the possible expansion of the scope and coverage of HMDA, take into account the fact that newly-covered lenders will need to make extensive labor-intensive technology investments to ensure compliance and also to the extent that currently reporting lenders will be asked to provide more data. We, too, will have to enhance our loan origination systems and other integrated third-party software programs that help us to accurately and timely report. Finally, in light of the recent passage of the Dodd-Frank Reform Act, extensive rule-

making is about to ensue which will necessitate disclosure of additional loan data by mortgage lenders which may be duplicative of some of the proposed HMDA revisions being contemplated by the board. It would be unreasonable and counter-productive to impose upon lenders the burden and expense of making significant reporting changes within a relatively short time period at the behest of both the board and the CFPB. A consistent, collaborative, and cohesive approach by the board and CFPB to revising HMDA requirements will better serve the needs of lenders, regulators, and consumers alike. Disjointed, overlapping, and inconsistent changes most certainly will not. Once again, thank you for inviting us to participate and for taking what appears to be a very widely inclusive and open-minded approach to this very important topic. Thank you.