



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

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CA 18-6

July 5, 2018

**TO THE OFFICERS AND MANAGERS IN CHARGE OF CONSUMER AFFAIRS
SECTIONS:**

Applicability to Community Banking Organizations: This guidance applies to all institutions supervised by the Federal Reserve, including those with total consolidated assets of \$10 billion or less.

SUBJECT: Statement on the Implementation of the Economic Growth, Regulatory Relief, and Consumer Protection Act Amendments to the Home Mortgage Disclosure Act

On May 24, 2018, the President signed the Economic Growth, Regulatory Relief, and Consumer Protection Act (the Act), a section of which amends the Home Mortgage Disclosure Act (HMDA).¹

The Act provides partial exemptions for some insured depository institutions and insured credit unions from certain HMDA requirements.² The partial exemptions are generally available to insured depository institutions and insured credit unions:

- For closed-end mortgage loans, if the institution originated fewer than 500 closed-end mortgage loans in each of the two preceding calendar years.
- For open-end lines of credit, if the institution originated fewer than 500 open-end lines of credit in each of the two preceding calendar years.

For closed-end mortgage loans or open-end lines of credit subject to the partial exemptions, the Act states that the “requirements of [HMDA section 304(b)(5) and (6)]” shall not apply. Accordingly, for these transactions, those institutions are exempt from the collection, recording, and reporting requirements for some, but not all, of the data points specified in current Regulation C.

¹ HMDA is implemented by Regulation C, 12 CFR part 1003.

² Pub. L. 115-174, section 104(a) (to be codified at 12 USC 2803).

The Bureau of Consumer Financial Protection (Bureau) expects later this summer to provide further guidance on the applicability of the Act to HMDA data collected in 2018.³

2018 Loan/Application Registers (LARs) Formatting and Submission

For all institutions filing HMDA data collected in 2018, the Act will not affect LAR formatting:

- LARs will be formatted according to the previously released 2018 Filing Instructions Guide for HMDA Data Collected in 2018 (2018 FIG).⁴
- If an institution does not report information for a certain data field due to the Act's partial exemptions, the institution will enter an exemption code for the field specified in a revised 2018 FIG that the Bureau expects to release later this summer.
- All LARs will be submitted to the same HMDA Platform. A beta version of the HMDA Platform for submission of data collected in 2018 will be available later this year for filers to test.⁵

Supervisory Expectations

As announced in December 2017, the Federal Reserve does not intend to require data resubmission for HMDA data collected in 2018 and reported in 2019 unless data errors are material. Furthermore, the Federal Reserve does not intend to assess penalties with respect to errors in data collected in 2018 and reported in 2019. Collection and submission of 2018 HMDA data will provide institutions with an opportunity to identify any gaps in their implementation of amended Regulation C and make improvements in their HMDA compliance management systems for future years. Any examinations of 2018 HMDA data will be diagnostic to help institutions identify compliance weaknesses and will credit good faith compliance efforts.

If you have any questions, please contact Amal Patel, Senior Supervisory Consumer Financial Services Analyst, at (202) 912-7879, or Tim Robertson, Manager, at (202) 452-2565. In addition, questions may be sent via the Board's public website.⁶

Sincerely,

Cross-reference:

- CA 17-4 "Expectations for Supervised Institutions Regarding Amended Regulation C" (December 21, 2017)

³ The partial exemptions are not available to insured depository institutions that do not meet certain Community Reinvestment Act performance evaluation rating standards. Guidance will include information on how this provision will be implemented.

⁴ <https://s3.amazonaws.com/cfpb-hmda-public/prod/help/2018-hmda-fig.pdf>.

⁵ The FFIEC's HMDA Platform and filing resources and tools are available at <https://ffiec.cfpb.gov>.

⁶ See <http://www.federalreserve.gov/apps/contactus/feedback.aspx>.