

FEDERAL RESERVE BANK OF SAN FRANCISCO  
101 MARKET STREET, SAN FRANCISCO, CALIFORNIA 94105

May 9, 2002

**BANKING SUPERVISION AND REGULATION:  
DELAY OF EFFECTIVE DATE  
OF REGULATION C AMENDMENTS**

To State Member Banks, Bank  
Holding Companies, U.S. Branches  
and Agencies of Foreign Banks,  
and Others Concerned,  
in the Twelfth Federal Reserve District

**Postponement of Effective Date for Regulation C Amendments (R-1001)**

The Federal Reserve Board has approved a final rule that postpones the effective date of the recent amendments to Regulation C (Home Mortgage Disclosure Act) from January 1, 2003, to January 1, 2004.

On February 15, 2002, the Board published in the *Federal Register* amendments to Regulation C effective for data collected beginning January 1, 2003. The Board also solicited comment on several related issues with a comment period that closed on April 12. Please see our letter dated February 13, 2002. Financial institutions and their trade associations requested a postponement of the effective date until January 1, 2004, on the grounds that a 2003 deadline does not afford institutions adequate time to take the steps necessary to ensure full compliance with the new rules. Consumer and community organizations generally opposed postponement of the effective date.

The Board has weighed the financial institutions' claims and underlying assumptions against public policy benefits of collecting the new data as soon as possible. The Board believes that some Home Mortgage Disclosure Act (HMDA) reporters, especially the largest ones, will not be able to fully implement the new rules by January 1, 2003, without jeopardizing the quality and usefulness of the data and incurring substantial additional implementation costs that could be avoided by a postponement.

The Board is, however, adopting an interim amendment to Regulation C, effective January 1, 2003, mandating the use of 2000 census data in HMDA reporting. Given the many changes that have occurred since the 1990 census, use of 2000 census tracts and demographics will produce more accurate and useful data in the HMDA disclosure statements and aggregate reports.

**Additional Information**

All circulars and documents are available on the Internet through the Federal Reserve Bank of San Francisco's Internet site, at <http://www.frbsf.org/banking/letters>. Paper copies of the Board's notice (**Docket R-1001**) are available from our Corporate Services Department. To request copies to be sent by mail, please call (415) 974-2060.

For additional information about the delay of the effective date, please contact our Banking Supervision and Regulation Department at (415) 974-3329.