

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

March 14, 2003

**BANKING SUPERVISION AND REGULATION:  
REGULATION C: TRANSITION RULES**

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

**Comment Requested on Transition Rules for Collecting and Reporting Data (R-1145)**

The Federal Reserve Board has published transition rules in a proposed amendment to the official staff commentary that applies and interprets the requirements of Regulation C (Home Mortgage Disclosure Act).

In 2002, the Board substantially revised Regulation C, effective January 1, 2004. The revisions require lenders to report new data items, including information about loan pricing. The proposed transition rules provide guidance on collecting and reporting this information for applications received before January 1, 2004, upon which final action is taken on or after January 1, 2004. More specifically, the transition rules provide the following:

- Lenders would not have to identify applications or loans involving manufactured homes or requests for preapproval
- Lenders could, at their option, continue to apply the current definitions of a home improvement loan and a refinancing
- Lenders would report applicant information on ethnicity and race in accordance with the conversion guidance set forth in the proposed comment

Lenders would have to report the purchaser type, rate spread, whether a loan is subject to the Home Ownership and Equity Protection Act (HOEPA), and the lien status of applications and originated loans. Information about these items is available at the time of final action.

Comment is requested by April 8, 2003. The Board expects to issue final guidance, after taking into account the comments received, as soon as possible after the close of the comment period. Docket R-1145 may be viewed and printed at <http://www.federalreserve.gov/boarddocs/press/bcreg/2003/20030303/attachment.pdf>.

**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-1145**) 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 proposed rule, please contact our Banking Supervision and Regulation Department at (415) 974-3329.