

Federal Reserve Bank of San Francisco  
101 Market Street, San Francisco, California 94105

November 3, 2009

To State Member Banks, Bank  
Holding Companies, Financial Holding  
Companies, and Foreign Bank Offices  
in the Twelfth Federal Reserve District

**CA 09-10: Revised Interagency Examination Procedures for the Home Mortgage Disclosure Act**

The Task Force on Consumer Compliance of the Federal Financial Institutions Examination Council recently approved the attached updated examination procedures for Regulation C (Home Mortgage Disclosure).

The updated procedures incorporate the amendments to Regulation C for reporting pricing information on higher-priced loans as published by the Federal Reserve Board in October 2008 (73 Federal Register 63329). The changes to Regulation C conformed the threshold for rate spread reporting to the definition of "higher-priced mortgage loans" included in amendments to Regulation Z (Truth in Lending) published in July 2008 (73 Federal Register 44522).

Since 2004, Regulation C has required lenders to collect and report the spread between the annual percentage rate (APR) on a mortgage loan and the yield on a Treasury security of comparable maturity if the spread is equal to or greater than 3.0 percentage points for a first-lien loan or greater than 5.0 percentage points for a subordinate-lien loan. Under the final rule amending Regulation C published in October 2008 and effective on October 1, 2009, lenders are required to report the spread between the loan's APR and a survey-based estimate of APRs currently offered on prime mortgage loans of a comparable type ("average prime offer rate") if the spread is equal to or greater than 1.5 percentage points for a first-lien loan, or equal to or greater than 3.5 percentage points for a subordinate-lien loan. For applications taken before October 1, 2009, and acted upon prior to January 1, 2010, lenders will continue to apply the previous test. Lenders will use the new rate spread reporting test on loans for which applications are taken on or after October 1, 2009 and for all loans consummated on or after January 1, 2010 regardless of their application date.

This letter partially supersedes CA 04-4, which transmitted Revised Interagency HMDA Examination Procedures, Sampling and Resubmission Procedures and a Notification of Availability of HMDA Questions and Answers in 2004. The HMDA Sampling and Resubmission Procedures reflected in CA 04-4 remain in effect. The HMDA questions and answers are posted on the FFIEC website at <http://www.ffiec.gov/hmda/faq.htm>.

The Revised Interagency HMDA Examination Procedures are attached.

**Additional Information**

All circulars and documents are available on the Internet through the Federal Reserve Bank of San Francisco's website, at <http://www.frbsf.org/banking/letters>.

For additional information, please contact:

Federal Reserve Bank of San Francisco  
Banking Supervision and Regulation  
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**Attachment:** [Revised Interagency Examination Procedures for the Home Mortgage Disclosure Act](#)