

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

July 31, 2014

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

**Proposed Amendments to Regulation C (Home Mortgage Disclosure Act)**

On July 24, 2014, the Consumer Financial Protection (CFPB) issued a [proposed rule](#) to amend Regulation C to implement the amendments to the Home Mortgage Disclosure Act (HMDA) made by section 1094 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). Consistent with the Dodd-Frank Act, the CFPB proposes to add several new and to clarify several existing reporting requirements. As noted in the proposal, the CFPB views implementation of the Dodd-Frank Act changes to HMDA as an opportunity to assess other ways to improve upon the data collection process, reduce unnecessary burden on financial institutions, and streamline and modernize the manner in which financial institutions collect and report HMDA data. Accordingly, the CFPB is proposing to implement the Dodd-Frank Act amendments and to make other changes in Regulation C, which implements HMDA.

The CFPB is soliciting public comment on all issues involving the proposal, including each of its specific proposals to amend Regulation C, which include, among other things:

- A. *Proposed Modifications to Institutional and Transaction Coverage* – The proposal would adjust Regulation C’s institutional coverage test by adopting a uniform loan-volume threshold of 25 loans. Specifically, institutions that meet all other criteria under Regulation C would be required to report HMDA data if they originated 25 covered loans, excluding open-end lines of credit, in the previous calendar year. In addition, while the proposal would eliminate reporting of unsecured home improvement loans, financial institutions generally would be required to report all closed-end loans, open-end lines of credit, and reverse mortgages secured by dwellings.
- B. *Proposed Modifications to Reportable Data Requirements* – The proposal would add new data points to the reporting requirements, as well as modify certain existing data points. The data points the CFPB is proposing to add or modify can be grouped into four broad categories:
  - Information about applicants, borrowers, and the underwriting process, such as age, credit score, debt-to-income ratio, reasons for denial, the application channel, and automated underwriting system results.
  - Information about the property securing the loan, such as construction method, property value, lien priority, the number of individual dwelling units in the property, and additional information about manufactured and multifamily housing.
  - Information about the features of the loan, such as additional pricing information, loan term, interest rate, introductory rate period, non-amortizing features, and the type of loan.
  - Certain unique identifiers, such as a universal loan identifier, property address, loan originator identifier, and a legal entity identifier for the financial institution.
- C. *Proposed Modifications to Disclosure and Reporting Requirements* – The proposal would require financial institutions that report large volumes of HMDA data to submit their data to the appropriate agency on a quarterly basis, rather than an annual basis.

- D. Proposed Modifications to Clarify the Regulation* – The proposal would revise the instructions in Appendix A and in the staff commentary to clarify aspects of Regulation C that are potentially unclear or confusing.

Comments must be received on or before October 22, 2014.

### **Resources**

We encourage bankers to understand the changes being proposed and utilize the comment period as an opportunity to influence the final rules and help prevent unintended consequences resulting from any new rules. Those wishing to submit comments may submit them through <http://www.regulations.gov> (Docket No. CFPB-2014-0019 or RIN 3170-AA10) or by following the instructions in the [proposal](#).

### **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-supervision/publications/district-circular-letters/>.

For additional information, please contact:

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