

REGULATORY ALERT

NATIONAL CREDIT UNION ADMINISTRATION
1775 DUKE STREET, ALEXANDRIA, VA 22314

DATE: February 2006 **NO.:** 06-RA-02
TO: Federally Insured Credit Unions
SUBJECT: Submission of 2005 data to comply with the Home Mortgage Disclosure Act

Dear Board of Directors:

Credit unions that engage in residential mortgage lending and meet standard asset thresholds must comply with Regulation C, the Home Mortgage Disclosure Act (HMDA). To determine if your credit union must submit data for calendar year 2005, please review Regulatory Alert 05-CU-01, *Regulation C (Home Mortgage Disclosure Act)*, published in January 2005.

The purpose of this regulatory alert is to inform you of:

- the filing deadline for 2005 HMDA data;
- NCUA policy concerning the late submission of required HMDA data;
- guidance about data quality and common errors, and
- availability of required disclosure statements.

Filing Deadlines: When must 2005 HMDA data be reported?

Credit unions must submit their completed Loan Application Register (LAR) to the Federal Reserve Board (FRB) processing center with required data for applications received during the 2005 calendar year by March 1, 2006.

E-mail is the preferred method for transmitting LAR data. Data should be submitted to the FRB processing center using the following email address: hmdasub@frb.gov. The LAR data file must be properly encrypted using the FFIEC data entry software encryption utility before transmission.

To ensure data can be successfully read by the FRB, a credit union should use the edit check feature contained in the HMDA data entry software prior to encrypting and submitting its transmission file. Non-email transmissions may be delayed due to FRB security protocols. Acceptable transmission methods are listed at: <http://www.ffiec.gov/hmda/contactNCUA.htm>.

Data are considered to be successfully received by the FRB once the file has been opened and loaded onto the FRB mainframe. When data are successfully loaded, the FRB will confirm receipt of the file by faxing or emailing a list of potential data errors. Credit unions should retain a dated copy of this receipt. If a credit union does not receive a filing receipt from the FRB, it is the credit union's responsibility to follow up with the FRB.

Credit unions, which are required to report 2005 calendar year data, must meet the March 1, 2006 filing deadline, even if the credit union will not be required to collect and file HMDA data for the 2006 calendar year.

Late Submissions: What is NCUA policy concerning late HMDA data?

NCUA anticipates that every credit union that is required to report 2005 HMDA data will provide a readable transmission file to the FRB by the March 1st deadline. Please note that if a data file does not load successfully, it will not be marked as received by the FRB.

Following March 1st, the FRB will provide a list of delinquent filers to NCUA. NCUA will review this list and decide whether to assess civil money penalties. When assessing civil money penalties against late filers, NCUA will consider exceptional circumstances. A credit union's first time to collect and file HMDA data is not an exceptional circumstance.

Quality of Data: Is there guidance on reporting problem data fields?

In December 2005, the FFIEC issued a guidance letter for 2005 HMDA filers. This letter provides directions about how to properly report several problematic data fields and highlights available information sources, including content on the FFIEC HMDA web site.

Disclosure Statements: How can a credit union obtain its disclosure statement?

Beginning with the disclosure statements for the 2005 calendar year, disclosure statements are available electronically; statements will no longer be provided to credit unions via CD-Rom or paper. Instead, credit unions and other reporting entities are responsible for retrieving their disclosure statements from the FFIEC web site, printing the statements, and displaying appropriate statements in their offices.

Disclosure statements are available on the FFIEC web site at:

<http://www.ffiec.gov/hmdaadwebreport/diswelcome.aspx>. Credit unions may search for their disclosure statements by name, respondent id, or regulating agency. Information about how to retrieve disclosure statements is available on the FFIEC web site at: http://www.ffiec.gov/hmda_rpt/HMDADisc_help.htm.

Following collection and analysis, disclosure statements are available for download from the FFIEC web site and display by credit unions in August or September. It is the responsibility of reporting credit unions to check the FFIEC

web site, download their disclosure statements, and display the statements within three business days of availability. Publication of the FFIEC press release that announces the availability of disclosure statements is equivalent to receipt of disclosure statements for purposes of compliance with HMDA

Synopsis

Credit unions required to comply with HMDA reporting requirements should carefully review Regulation C and the *Guide to HMDA Reporting, Getting It Right!*. Credit unions required to collect and file 2005 calendar year data must submit HMDA data to the FRB no later than March 1, 2006.

Questions concerning HMDA software, data receipt confirmations, data edits, and other issues related to the submission of HMDA data can be sent to the FRB via email at hmdahelp@frb.gov. Should you have questions about LAR completion, please contact your regional office or state supervisory authority.

Sincerely,

/s/

JoAnn Johnson
Chairman