

CRA / HMDA

[R E P O R T E R]

December 2001

Address Change for Data Submissions

Due to heightened security concerns, effective immediately, we are changing the mailing addresses for all CRA and HMDA data submissions. Because this change may delay the receipt of mailed submissions to the Board, and receiving data submissions in a timely manner is of the utmost importance to us, we strongly encourage all CRA and HMDA data reporters to submit their data via Internet e-mail.

Among CRA and/or HMDA reporters, Internet e-mail increasingly has become the preferred medium for respondents to submit their data. In fact, during the processing of 2000 data, 70 percent of CRA reporters and 45 percent of HMDA reporters submitted their initial and/or resubmitted data via Internet e-mail.

You may ask why so many reporters chose to submit via the Internet? The answer is simple. Submitting via the Internet is fast and easy:

- First, complete a batch edit.
- Second, prepare an encrypted file by using the *Internet E-mail Export* option or by using the *Internet Submission* component that came with your FFIEC data entry software.
- After you have completed the encryption process, attach the encrypted CRA or HMDA data file to an Internet e-mail message. Please make sure to include your institution's name, respondent ID, as well as the contact person's name and telephone number.

- Finally, send the file.

The regulator will receive your data, then send you an e-mail message acknowledging that the data were received. All the steps—from the batch edit to the reporter's receiving an e-mail acknowledgement—occur on the **same day**.

In addition to timeliness, the Internet e-mail option reduces or eliminates:

- Delivery time and costs,
- Problems that may arise from using diskettes or cartridges that can get damaged in the mail.

For HMDA e-mail submissions from OCC, FDIC, NCUA or OTS-regulated institutions, you should submit your files to the following Internet e-mail address, hmdasub@frb.gov. For FRB and HUD-regulated institutions, you will find the appropriate Internet e-mail address in the software help screens. For CRA e-mail submissions, you should submit your files to the following Internet e-mail address, crasub@frb.gov.

To obtain a free copy of the FFIEC CRA Data Entry Software, you may:

- Download it off the FFIEC CRA web site, www.ffiec.gov/cra,
- Send an Internet e-mail request to crahelp@frb.gov or
- Leave a message on the CRA Assistance Line at (202) 872-7584.

To obtain a free copy of the FFIEC HMDA Data Entry Software, you may:

- Download it off the FFIEC HMDA web site, www.ffiec.gov/hmda,

- Send an Internet e-mail request to hmdahelp@frb.gov or
- Leave a message on the HMDA Assistance Line at (202) 452-2016.

If submitting via Internet e-mail is not technically feasible and you must send your data via diskette, CD-ROM or cartridge tape, the changed mailing addresses are:

CRA:
Federal Reserve Board
Attention: CRA Processing
20th & Constitution Avenue, NW
MS N502
Washington, DC 20551-0001

HMDA:
Federal Reserve Board
Attention: HMDA Processing,
**{insert name of regulatory agency}*
20th & Constitution Avenue, NW**
MS N502
Washington, DC 20551-0001

***Please note:** This should correspond to your institution's regulatory agency. HMDA institutions regulated by FRB and HUD should continue to use the mailing address as provided on the FFIEC HMDA web site, <http://www.ffiec.gov/hmda/submit.htm>.

The Board appreciates your cooperation in this important matter. If you have any questions on submitting data via Internet e-mail, please direct them to either the CRA or HMDA assistance lines.

HMDA Data Entry Tips

Step-Savers

- When you meet the reporting criteria for a particular year, but have no LARs to report for that year, fax a memo indicating this fact by March 1, 2002, to (202) 452-6497. Include your respondent ID number, agency code and institution name.
- When data are submitted via e-mail, CD-ROM, diskette or cartridge tape, a paper copy of the HMDA report does not have to be mailed.
- When a document is faxed to us—for example, the edit report or confirmation sheet—it is not necessary to also mail the original document.
- When sending a complete resubmission of data, it is not necessary to also send a marked-up edit report of the changes made. That initial edit report will be replaced with a new edit report for the current resubmission.

The 1990 Census Data Are Still in Effect

Following each decennial census, the Office of Management and Budget (OMB) releases census data on a continuous basis. Even though the Census Bureau began releasing 2000 census data in June 2001, we anticipate that we will **NOT** use any of the 2000 census data until we have collected CRA and HMDA data for the 2003 calendar year; this information is due March 1, 2004. Therefore, when you are reporting and analyzing CRA and HMDA data, please continue to use the 1990 census and demographic information for the 2001-02 calendar years. (As we receive more information from the FFIEC regarding what

2000 census data can be used—and when it can be used—we will update you via special memos, this newsletter and on the FFIEC CRA and HMDA web sites.)

In addition, there are no new metropolitan statistical area (MSA) changes for 2001 CRA and HMDA data. Census tracts and block numbering areas (BNAs) continue to be a part of the reported geographical property information; however, that will change for 2003 data. To keep informed of future census data changes and their effective dates, check the FFIEC web site, www.ffiec.gov, periodically.

As you know, the accuracy of your annual CRA and HMDA submission is your responsibility. If you rely on outside vendors to identify the tract/BNA location of your institution's loans, please verify that they are using the correct census information as stated above. If you employ appraisers to geocode the property location, be sure that their maps contain 1990 census information. Finally, be sure to use all available resources during the geocoding process and ensure that all of these resources use the proper information from the 1990 census.

Resubmission Tips

Our goal during each HMDA processing cycle is to gather valid and accurately reported HMDA data from all of the institutions that meet the reporting criteria. During the processing cycle, resubmissions are not uncommon. We welcome these resubmissions because the resubmitted data *usually* are more accurate and can resolve problems seen in the initial report. For instance, an institution may decide to resubmit its data after locating errors it found during an internal audit. Or, an examiner may order a resubmission following an examination of the data.

In general, the resubmission process is similar to the initial submission process. Correct the data

and create a new data file using one of the acceptable media types. We prefer that you send your revised data file in an encrypted, Internet e-mail message. The data could, however, be exported to a diskette, CD-ROM or cartridge tape and sent via overnight express. The media type you select for transmitting data must display your institution's name, respondent ID, agency code, number of entries, as well as the contact person's name and phone number.

Check to ensure that *all* of your data—not just the partial, corrected data—are in the resubmission. Your resubmission should be clearly marked as a “complete resubmission.”

If an institution resubmits its data during the yearly processing cycle (mid-January through the beginning of April), the resubmission process will mirror the process of an initial submission. The contact person will be sent another edit and Institution Register Summary (IRS) report reflecting the resubmitted data. In addition, a new confirmation sheet will be sent for your signature, which acknowledges that data have been corrected (as required) and that information in the edit and IRS reports agrees with the data you resubmitted. The disclosure report distributed to the institution at the end of July will reflect the resubmitted data.

If an institution resubmits its current year's data after all data have been loaded (beginning of May) and the initial disclosure reports have been created, your resubmitted data will be loaded following the reopening of the processing and collection system. Depending upon the nature and amount of data that were added or changed, you may be eligible to receive a revised disclosure report. To be eligible for a revised disclosure report of the current year's data, an institution has from the end of July (for the current year's processing cycle) to mid-February (of the next year) to resubmit the current year's data and have it

loaded on the FFIEC database at the Board.

If an institution resubmits data for the previous year, the data will be accepted and loaded on the FFIEC database. Once all the data are cleaned, however, a new disclosure report *cannot* be re-created for the institution. The institution must manually update its disclosure report and modify the LAR register.

In summary: When resubmitting your data, you should follow the identical procedures you followed when you submitted your initial data with one exception: A *resubmission should always contain and be clearly marked as a "complete resubmission."*

CRA Data Entry Tips

Small-Business and Small-Farm Loan Data

The CRA regulation requires that financial institutions collect and report their small-business and small-farm loan originations and purchases. In the small-business and small-farm loan categories, you are only required to collect and report the commercial loans that are captured in *either* Schedule RC-C, Part II of the Consolidated Reports of Condition and Income (Call Report) *or* Schedule SB of the Thrift Financial Reports (TFR).

These schedules include:

- Small-business loans with original amounts of \$1 million or less, and
- Small-farm loans with original amounts of \$500,000 or less.

The original amount of the loan—*not* the annual revenue of a business or farm—determines whether a loan is classified as a small-business or small-farm loan.

For small-business and small-farm loan data collected in 2001 and beyond, financial institutions should collect information about small-business and small-farm loans that they refinance or renew as *loan originations*. For further information about this new data-reporting requirement, please review the Interagency Questions and Answers, sections __.42 - 4 and __.42(a) - 5, which can be found at www.ffiec.gov/cra.

Defining Assessment Areas

Generally speaking, your institution's assessment area should include one (or more) metropolitan statistical areas (MSAs) or one (or more) contiguous political subdivisions, such as counties or cities. You should include the geographies in which your main office, branches and deposit-taking ATMs are located, as well as the surrounding areas where your institution has originated or purchased a substantial amount of its loans [Section 41(c)(2) of the CRA regulation].

When you are inputting small-business and small-farm loan infor-

mation, you need to provide MSA/State/County/Census tract-BNA information to indicate the location of the loan. This information, which is provided in the loan data entry screens, is *not* your assessment area; it is only the location of the loan. Your assessment area(s) is defined separately in the *Assessment Area* screen of the data entry software.

For efficient data processing, we recommend that you *do not* duplicate census tracts in your institution's assessment area(s). Geographies should only be included once in an institution's entire assessment area.

Optional Loan Categories

The loan categories denoted by an asterisk on the *Front Page* of the Federal Financial Institutions Examination Council's (FFIEC's) CRA Data Entry Software are optional. When you export your data to the Federal Reserve Board, these loans are *not* included in your submission—*except for the consortium/third-party category; they will be included*. These optional loan categories are provided in the software simply for your convenience.

If you would like to collect consumer or other loan information for consideration during a lending test, you also can use this software to maintain these data. You may export the optional loan data for your examiners' review by selecting *Export, For Other Purposes*.

Additionally, if your institution opts to maintain data for loans in a particular consumer loan category, remember that you must input data for *all* loans originated or purchased within that category (Q&A __.42(c)(1)-1).



New CRA Interagency Questions & Answers

To ensure accurate data collection and reporting, CRA reporters should refer to the new Interagency Questions & Answers (Q&A) document that was released July 12, 2001. Several changes are reflected in the new Q&A, including six new sets of questions and answers. The Q&A can be found on the FFIEC CRA web site www.ffiec.gov/cra. The Background section, which is found at the beginning of the document, provides a thorough summary of the additions and modifications that were made.

Q & A

Q. Our institution is exempt from reporting HMDA data. This past year, a HMDA-reportable institution merged with us. As the surviving institution exempt from HMDA reporting, what is our responsibility for reporting HMDA data for the covered HMDA-reportable institution?

A. The surviving, exempt institution is responsible for reporting the previously covered institution's premerger data; reporting after-merger transactions is optional. (This example also applies to consolidations. Even though a new institution is formed, data collection is only required for the covered institution's transactions. Data collection is optional for those transactions that take place after the consolidation date but within the same year.)

Q. Two covered institutions merge: Bank A with Bank B. How should the surviving institution, Bank B, report Bank A's premerger HMDA transactions as well as its own data?

A. Because both institutions are covered, data collection and reporting are required for the entire year. The responsibility rests with the survivor, Bank B. That year, the surviving institution may choose to file either a consolidated report or a separate report for both entities. If Bank B chooses separate reports, only the premerger transactions of Bank A would be included on that report. Bank A's after-merger transactions, as well as Bank B's transactions for the entire year, must be included on Bank B's report. If the institutions reported to different supervisory agencies prior to the merger, the reports for the year in which they merged, and all subsequent reports, must be submitted to the supervisory agency of the surviving institution.

Q. Our institution purchased HMDA-related loans in bulk. How should we report these on the HMDA Loan Application Register?

A. Because neither a merger nor an acquisition of an institution was involved, the purchasing institution must include the loans in its data collection, reporting them as "purchased loans."

Q. Our institution is a new CRA and/or HMDA reporter. We are using the FFIEC Data Entry Software and need to know our reporter's identification (RID) number to complete the transmittal sheet. How can we determine our RID number?

A. In general, RIDs used for submitting a depository institution's HMDA data are derived from the different source numbers each agency uses. For instance, the:

- FDIC uses its certificate number,
- OTS uses the docket number,
- FRS uses the RSSD number and
- OCC and NCUA use the charter number.

Nondepository institutions of the:

- FDIC, OCC and NCUA use the federal tax ID number *with* the hyphen,
- OTS uses the federal tax ID number, *but* it eliminates the hyphen and includes a leading zero, and
- FRB uses an RSSD number—if necessary, one is assigned.

HUD reporters are all independent mortgage companies, and the source of their RID number is either the:

- FHA ID number (for an FHA lender) or
- Federal tax ID number (for non-FHA lenders).

RIDs used for submitting a depository institution's CRA data correspond to their agency identification number. For:

- FDIC-supervised institutions, this number corresponds with the FDIC certificate number,
- OTS-supervised institutions, the OTS docket number,

- OCC-supervised institutions, the OCC charter number, and
- Federal Reserve System-supervised institutions, the institution's RSSD number.

Please note: RIDs are 10 characters in length, and they often require leading zeros to meet the length requirement. For example, if the source number is 12345, the 10-character RID number is 0000012345.

Q. A structure change has occurred, and as the surviving institution we have chosen to submit the HMDA data separately for both entities. I am not sure what RID numbers to use. What should I do?

A. Please contact the HMDA Assistance Line at (202) 452-2016 or send us an e-mail at hmdahelp@frb.gov. We may need to assign a temporary RID for the non-surviving entity's premerger HMDA submission.

BULLETIN BOARD

FFIEC REPORTING RESOURCES

Below is a brief list of FFIEC reporting publications and filing resources available on the FFIEC HMDA and CRA web sites.

HMDA

FFIEC Data Entry Software

www.ffiec.gov/hmda/softinfo.htm

FFIEC Geocoding/Mapping System

www.ffiec.gov/geocode/default.htm

A Guide to HMDA Reporting & Guide Information Letter Updates

www.ffiec.gov/hmda/guide.htm

Staff Commentary

www.ffiec.gov/hmda/qnadoc.htm

How to File

www.ffiec.gov/hmda/howtofile.htm

Where to Submit

www.ffiec.gov/hmda/submit.htm

CRA

FFIEC Interagency Q & A's

www.ffiec.gov/cra/qnadoc.htm

FFIEC Data Entry Software

www.ffiec.gov/cra/softinfo.htm

FFIEC Geocoding/Mapping System

www.ffiec.gov/geocode/default.htm

A Guide to CRA Data Collection and Reporting

www.ffiec.gov/cra/guide.htm

How to File

www.ffiec.gov/cra/howtofile.htm

Where to Submit

www.ffiec.gov/cra/submit.htm

Need Assistance?

For further assistance with HMDA or CRA, visit the following web sites, send an e-mail or call the phone numbers listed below:

HMDA

www.ffiec.gov/hmda
hmdahelp@frb.gov
(202) 452-2016

CRA

www.ffiec.gov/cra
crahelp@frb.gov
(202) 872-7584

Changes for OTS HMDA Filing

In August 2001, the Office of Thrift Supervision (OTS) announced to its reporters that beginning with calendar year 2001 data it had contracted with the Board of Governors of the Federal Reserve System (Board) to process OTS respondents' HMDA data. Although the reporting deadline for 2001 HMDA data remains the same, March 1, 2002, the processing change will affect *how* and *where* OTS respondents submit their data.

OTS respondents are encouraged to send their data to the Board's Internet e-mail address, which is hmdasub@frb.gov. If your institution chooses to submit Internet e-mail, then you **must** use the FFIEC HMDA Data Entry Software. You may download the software from the following web site, www.ffiec.gov/hmda/softinfo.htm; or call the HMDA Assistance Line at (202) 452-2016 to request a copy on CD-ROM.

If submitting Internet e-mail is not a viable option, then you may submit your data via diskette, CD-ROM or cartridge tape (specifically, IBM or IBM-compatible tapes 3480, 3490 or 3490E). Please note: The Board does not accept reel tapes for HMDA data submissions. Please mail your diskette, CD-ROM or cartridge tape(s) to:

Federal Reserve Board
Attention: HMDA Processing, OTS
20th and Constitution Avenue, NW
MS N502
Washington, D.C. 20551-0001

Public Disclosure of 2000 CRA Data

On July 26, 2001, the FFIEC released the initial 2000 CRA Aggregate and Disclosure Reports on CD-ROM. Following the discovery and correction of an error in the disclosure reports of some institutions, the CD-ROM was completely re-created and redistributed. On Sept. 18, 2001, the FFIEC mailed the revised 2000 CRA Aggregate and Disclosure Reports on CD-ROM. The CD-ROM contains CRA data for each institution reporting under CRA in 2000. Institutions should make their disclosure statements on this CD-ROM available to the public within three business days of receipt. You also can find the revised disclosure report data on the FFIEC CRA web site, www.ffiec.gov/cra, as of Sept. 18.

Public Disclosure of 2000 HMDA Data

On July 26, 2001, the FFIEC released the 2000 HMDA Aggregate and Disclosure Reports on CD-ROM. The CD-ROM contains each institution's 2000 HMDA Disclosure Report, as well as the 2000 HMDA aggregate data. Institutions should make their disclosure statements on this CD-ROM available to the public within 10 business days of receipt. Alternatively, institutions' complete disclosure statements and aggregate reports are available at the FFIEC HMDA web site, www.ffiec.gov/hmda. If your institution has not received its copy of the CD-ROM, contact the HMDA Assistance Line at (202) 452-2016.

PROPOSED REVISIONS TO REGULATION C

In December 2000, the Federal Reserve Board published proposed revisions to the Home Mortgage Disclosure Act's (HMDA) Regulation C. The Board received comments through May 2001. Board staff is currently reviewing comments and preparing a final revision to be forwarded to the Board for review and approval.

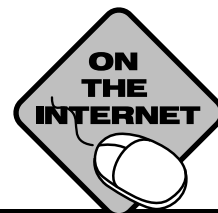
The Board is proposing amendments to Regulation C and to the commentary that applies and interprets Regulation C. If included and approved in the final amendment package, the amendments would simplify the definition of a "refinancing;" require lenders to report

requests for preapproval; simplify the definition of a reportable home improvement loan; require lenders to report home-equity lines of credit; expand coverage of nondepository lenders; and require lenders to report the annual percentage rate of a loan; whether the loan is subject to the Home Ownership and Equity Protection Act; and whether the loan or application involves a manufactured home. The Board also proposed a number of clarifying and technical changes, in addition to reorganizing Regulation C to make it easier to use.

If you are interested in additional information, you can find a complete copy of the press release on the Board's public web site at the following address:

<http://www.federalreserve.gov/boarddocs/press/boardacts/2000/20001214/default.htm>.

After the Board approves the final Regulation C amendments, they will be posted in the Federal Register and on the Board's and FFIEC's web sites.



■ www.ffiec.gov/cra ■

■ www.ffiec.gov/hmda ■

This newsletter is designed to aid CRA and HMDA lenders in the collection and reporting of their data. The publication provides assistance, guidance and information on various topics, including data entry software, regulatory issues and frequently asked questions. The articles in the *CRA/HMDA Reporter* are written by staff at the Federal Reserve Board and the Federal Reserve Bank of St. Louis.



Federal Reserve Bank of St. Louis
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St. Louis, Missouri 63166-0442