# Minimum Hardware Requirements
# for HMDA and CRA Data Entry Software *(Version 2.00)*

In December 1998, we notified you that the 2.00 release of both the HMDA Data Entry Software and CRA Data Entry Software will no longer run on the Windows 3.1 operating system.

Both software packages scheduled for distribution in January 2000 will operate only in a Windows 95, Windows 98 or Windows NT environment. The minimum hardware requirements for HMDA and CRA Data Entry Software (Version 2.00) are listed below.

By upgrading the operating system platforms, the software will run more efficiently and be able to take advantage of the latest Windows technology. For example, with the new version, you will be able to perform a *Print Preview* when requesting HMDA or CRA reports. The export feature of both software packages has also been rewritten, which provides users a more timely and efficient export process.

## Year 2000 HMDA/CRA File Format Test System

Worried about the Y2K deadlines? As you know, the FFIEC is committed to doing all it can to safeguard the operation of the U.S. financial system when the new century commences. Although no one can guarantee that there won't be glitches, we're confident that the HMDA and CRA software will function normally next year.

Both the HMDA and CRA Data Entry Software have been Y2K-ready since December 1997, and both have been used successfully since that time. Of course, all future versions of the software will also be Year 2000-ready. This means that the software will work for appropriate activity years after the system clock on your PC rolls over to the next century. It is important to note, however, that *only* dates that are appropriate for the version can be entered into the appropriate date fields. For example, Version 1.20 allows entry of years 1996 through 1999 only. The next release of HMDA and CRA—(Version 2.00)—will allow entry of years 1996 through 2000 only.

HMDA and CRA reporting institutions that file data—but do not currently use the FFIEC's data entry software—will be able to check their software to ensure that it can export HMDA or CRA data in the Year 2000 compliant file formats for the 1999 activity year. The test period is as follows:

**Test Period**—08/01/1999—11/07/1999
**Activity Year Being Tested**—1999

Each test submission (computer tape or diskette) should be sent to the following address:

**Attn: Year 2000 HMDA
or CRA Testing
Federal Reserve Board, Suite 5000
1709 New York Ave., N.W.
Washington, D.C. 20006**

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## HMDA Data Entry Software *(Version 2.00)* and CRA Data Entry Software *(Version 2.00)*

### Scheduled for January 2000 release

Minimum hardware requirements:

Pentium or equivalent processor

Windows 95, Windows 98 or Windows NT software / 16MB of RAM

MPC-compatible double-speed CD-ROM drive / 40MB free disk space

Super VGA monitor

Mouse

1.44MB diskette drive (for exporting data)

# HMDA Data Entry Tips

## Accuracy, time and step-savers

- Although you may have less than 25 loans to report, submitting via diskette or e-mail using the free FFIEC data entry software will ensure more accurate reporting.
- When you meet the reporting criteria for a particular year, but have no LAR to report for that year, fax a memo indicating this fact by March 1, 2000, to (202) 452-6497. Include your respondent ID number, agency code and institution name.
- When data are submitted via e-mail, diskette or tapes, 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.

## Reporting of property location information on HMDA Loan Application Register

If you are a depository institution that is also required to report Community Reinvestment Act (CRA) data, you must report the MSA/state/county/Census tract-BNA combination for every application and/or loan on your HMDA LAR report, regardless of where the property is located or whether you have an office in the MSA *(if the property is not located in an MSA, then "NA" in the MSA column is appropriate)*.

If you are a depository institution that must report HMDA data only (in other words, not a CRA reporter), and you have a home or branch office in the MSA where the property is located, you must report MSA/state/county/Census tract-BNA fields (unless the county is classified as a small or untracted county; then it is acceptable to report "NA" in the Census tract field).

If you are a depository institution that must report HMDA data only (again, not a CRA reporter), and you do not have a home or branch office in the MSA where the property is located, we prefer that you report as much information about the four property location fields as possible. Note that every state and county is assigned a code; therefore, we would prefer that at least the state and county codes, rather than "NA," are reported on these applications and/or loans.

If you are a nondepository institution, you are deemed to have a presence in an MSA when you have acted on five or more loans or applications in that MSA. If this is the case, you would be required to fully geocode applications and/or loans in those areas. Therefore, it is strongly recommended that you enter the geographic information (MSA, state, county and Census tract-BNA) routinely for any property located within any MSA.

## Type of Purchaser

Do not confuse the action taken of "purchased" (Code 6) with the "type of purchaser" column. Reporting an action taken of "purchased" on a loan means that you bought the loan from another entity. You should use the "type of purchaser" column on the HMDA Loan Application Register (LAR) to indicate whether you sold a loan to a secondary market entity. You may sell loans that you originate or loans that you purchase from another entity. The sale generally occurs in the same calendar year of the data reported on the register.

If you sell an originated or purchased loan in a succeeding year, do not report the loan sale on that year's register. You also should not go back and update the "type of purchaser" column on the register for the year in which the loan was originated or purchased. In this case, the sale never gets reported to the regulator.

If your institution purchases an interest in a loan pool (such as a mortgage-participation certificate, a mortgage-backed security, or a real estate mortgage investment conduit), you have purchased an interest in a security that is not HMDA-reportable.

Do you securitize your mortgage loans; that is, group your mortgage loans and sell an interest in the loan pool to investors, thereby entitling the investors to a cash flow from the mortgage repayment? If so, you are selling securities backed by home mortgage loans, and the sale is *not* reported. However, if you "swap" loans for mortgage-backed securities, you *are* selling loans. In this case, you would enter the type of entity receiving the loans that are swapped under the "type of purchaser" column on your HMDA register.

It is only valid to report the value zero (0) in the "type of purchaser" column in the following situations:

- When the loan was originated but *not* sold in the calendar year covered by the register;
- When the loan was purchased from another entity but *not* sold in the calendar year covered by the register; or
- When the application was denied, withdrawn or approved

but not accepted by the applicant; or for files closed for incompleteness.

## Reasons for Denial

You may provide as many as three reasons why a loan application was denied. You are not required to report reasons for denial of an application (institutions supervised by the OTS or OCC differ in this regard; they must report the reasons under their agencies' regulations). Leave the columns blank if the "action taken" on the application is not a denial. For example, do not complete this column if the application was withdrawn, approved but not accepted by the applicant, or if the file was closed for incompleteness.

# CRA Data Entry Tips

## Small business and small farm loan data

The CRA regulation requires collection and reporting of small business and small farm loan origination 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 Schedule RC-C, Part II of the Consolidated Reports of Conditions 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. To find more information about the

Call Report, access www.fdic.gov/banknews/callrept. To obtain TFR information, access www.ots.treas.gov/tfrpage.html.

## 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 information, you need to provide MSA/state/county/Census tract-BNA information to indicate the location of the loan. This information—provided in the loan data entry screens—is *not* your assessment area; it is only the loan's location. Your assessment area(s) is defined separately in the assessment area screen of the data entry software.

## Optional loan categories

The loan categories denoted by an asterisk on the *Front Page* of the software are optional. When you export 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 for your convenience.

If you would like to collect consumer or other loan information for consideration during a lending test, you can use this software to maintain these data. The optional loan data may be exported for your examiners' use by selecting Export, For Other Purposes. (NOTE: Please *do not* choose the For Other Purpose export option when you are preparing a submission to the Federal Reserve Board for the March 1 deadline.)

If your institution opts to maintain data for loans in a particular consumer loan category, remember you must input data for *all* loans originated or purchased within that category.

## Who reports the credit decision on an application?

The entity making the credit decision on an application prior to closing is responsible for reporting that application, regardless of whose name the loan closes in.

# Q & A

**Q.** When I install a new version of the HMDA or CRA software over a previous version how do I create a new submission?

**A.** First, it's important to know that with the FFIEC software, all data are tied to the activity year found on the Transmittal Sheet record. In addition, multiple submissions can be stored on the FFIEC Data Entry Software data base. Therefore, it is important to begin the data collection process for a new activity year by creating a new Transmittal Sheet.

If only one submission existed before the new installation, that submission will be the open submission. To create a new submission, click on Add under the Transmittal Sheet on the Front Page, complete the Transmittal Sheet information and save the new Transmittal Sheet. The new Transmittal Sheet will now become the open submission, and you can begin adding new loan record information.

If more than one submission exists after installing, open any submission under the *Open Submission* window. To create a new submission, click on Add under the Transmittal Sheet on the Front Page, complete the Transmittal Sheet information and save the new Transmittal Sheet. The new Transmittal Sheet now becomes the open submission, and you can begin adding new loan record information.

**Q.** When trying to store data on the loan register, I receive warning messages saying that I have a Quality edit or Validity error. What does this mean?

**A.** The FFIEC Data Entry Software has editing features that check the accuracy and reasonableness of data. Edits are divided into two general types: Validity and Quality. Each edit questions specific reported data that should be thoroughly checked to ensure that the data are reported accurately.

The data that generate a validity error are reported incorrectly. *All* validity errors must be corrected before the FFIEC software will allow the submission to be exported.

The data that contain quality edits imply that the reported information should be reviewed for correctness and changed *only* if erroneous data have been reported. The FFIEC software *will* allow data with quality edits to be exported.

**Q.** I don't use the FFIEC Data Entry Software to collect my HMDA or CRA data. Can I still submit my data via the Internet?

**A.** Yes. Both the HMDA and CRA software applications maintain the Internet submission feature "outside" of the actual application setup. This means that a user can choose to install only the Internet Submission component of the software. To do so, use the installation CD-ROM and install only Internet Submission when you reach the Select Components screen during the installation process.

After successful installation, you can launch the Internet submission feature and import a properly formatted HMDA or CRA file (if you are using another software program, the created data file is most often called HMDA.DAT or CRA.DAT). The file can then be encrypted and attached to an e-mail message for transmission to the appropriate agency for processing. (Approximately 25 percent of the 1,865 CRA reporters submitted their 1998 calendar year data via Internet e-mail; 21 percent of the 5,284 HMDA reporters from OCC, FDIC and NCUA used Internet e-mail for their submissions.)

**Q.** I work in a large institution where different areas specialize in tracking different loan types. How do I merge all of this information into one submission?

**A.** The data entry software contains a feature called Branch Site setup. This feature is most often used by large institutions to collect data from their various branches. However, this feature can also be used internally to collect and centralize data being stored on different computers.

First, install the software at each terminal where the data will be collected. To set up a Branch Site, click on the *Utilities* function from the main menu. Click *HMDA* or *CRA Configuration Options* and, under the *General* tab, activate the Branch Site feature and assign a four-character prefix. When your data collection is complete, the data can be exported to home office and then imported into the central system.

**Q.** If I use a third-party vendor to create my HMDA or CRA report for submission, can I use the data entry software to verify that the format and content of the file created from the vendor product meets the submission reporting requirements?

**A.** Yes. The HMDA and CRA Data Entry software contains an import feature that can be activated from the main menu. Once activated, you can import your data file, which will check to see whether the file format is correct as the file is being imported. After the data are imported, you can run a batch edit to determine if the data contain validity or quality edits. Next, choose the "export" option from the software and follow the procedures for submitting your data on diskette(s) or via Internet e-mail.

# BULLETIN BOARD

## Y2K Readiness

If you would like to know more about financial system readiness, or have any other Y2K questions, check out the following web sites:

**Federal Reserve Board of Governors:**
www.federalreserve.gov

**Federal Financial Institutions Examination Council:** www.ffiec.gov
> **Further CRA Y2K readiness info:**
> www.ffiec.gov/cra/y2k/y2ktestg.htm
> **Further HMDA Y2K readiness info:**
> www.ffiec.gov/hmda/y2ktestg.htm

**Federal Deposit Insurance Corporation:**
www.fdic.gov

**Office of the Comptroller of the Currency:**
www.occ.treas.gov

**Office of Thrift Supervision:**
www.ots.treas.gov

**Securities and Exchange Commission:**
www.sec.gov/news/y2kdb.htm

**National Credit Union Administration:**
www.ncua.gov

## Need Assistance?

For further assistance with HMDA or CRA, visit the web sites or call the phone numbers listed below:

**HMDA**
www.ffiec.gov/hmda
(202) 452-2016

**CRA**
www.ffiec.gov/cra
(202) 872-7584

## Public Disclosure of 1998 Data
### 1998 CRA Aggregate and Disclosure CD-ROM

On July 29, 1999, the Federal Financial Institutions Examination Council (FFIEC) released the 1998 CRA Aggregate and Disclosure Reports on CD-ROM. The CD contains all CRA data reported for 1998. Institutions required to report CRA data were sent a CD-ROM containing their CRA information in late July. Institutions should make their disclosure statements on this CD-ROM available to the public within three days of receiving the CD-ROM.

### 1998 HMDA Disclosure Statements

The HMDA disclosure statements for calendar year 1998 were mailed by June 25, 1999. Institutions were to have a copy of these statements available for public inspection within 10 business days of receiving them. If your institution has not yet received its HMDA Disclosure Statement, contact the Federal Reserve Board at (202) 452-2016.

## New Product

The FFIEC Census Data CD-ROM (Version 1.0) is a new informational product designed to provide access to the Census data that the FFIEC uses to produce HMDA and CRA reports. This product also includes demographic, housing and income data. The Census data can be used, along with an institution's lending data, to help evaluate the institution's compliance with federal fair lending laws. (A new release of this product will be completed annually; the year on the Census CD-ROM identifies the year of HMDA or CRA data that should be used with the disk.) To order the FFIEC Census Data CD-ROM, contact the CRA assistance line at (202) 872-7584.

**Q.** When is the HMDA and CRA reporting deadline, and where do I mail my diskette or e-mail my submission?

**A.** The reporting deadline for 1999 HMDA/CRA data is March 1, 2000. All CRA data should be sent to:

**Attention: CRA Processing**
**Federal Reserve Board, Suite 5000**
**1709 New York Ave., N.W.**
**Washington, D.C.  20006**

CRA submissions via the Internet (using the FFIEC software only, Internet e-mail export feature) should be e-mailed to:

**crasub@frb.gov.**

HMDA respondents that are regulated by the FDIC, OCC or NCUA should send data to:

**Attention:  (Your regulator name)**
**HMDA Processing**
**Federal Reserve Board, Suite 5000**
**1709 New York Ave., N.W.**
**Washington, D.C.  20006**

Respondents regulated by FDIC, OCC or NCUA that wish to submit their HMDA data via the Internet should e-mail a properly encrypted HMDA file (using the FFIEC software only, Internet e-mail export feature) to:

**hmdasub@frb.gov.**

If your institution is regulated by HUD, send your data to:

**Attention:  HMDA Processing**
**Department of Housing and**
**Urban Development**
**Room B-133 (Plaza 3119)**
**451 Seventh St., S.W.**
**Washington, D.C.  20410**

If your institution is regulated by OTS, send your data to:

**Attention:  HMDA Report**
**Office of Thrift Supervision**
**1700 G St., N.W.**
**Washington, D.C.  20552**

All institutions regulated by the Federal Reserve System should send their HMDA data to their local Federal Reserve Bank.  Contact the Federal Reserve Bank in your area for the proper mailing or e-mail address.

Respondents regulated by HUD or OTS that wish to submit via the Internet should contact their regulatory agency—(202) 755-7530 for HUD or (202) 906-6237 for OTS—to obtain an e-mail address.  Do not submit e-mail submissions to the Federal Reserve System because we cannot process them.

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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, Y2K 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.

**THE FEDERAL RESERVE BANK of ST. LOUIS**

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