Office of Regulatory Activities

Thrift Bulletin

Handbook: Compliance Activities
Subject: Home M

Section: 215
TB 2

September 13, 1988

TB 2 was rescinded 1/13/95. Incorporated into Compliance Activities 215

Home Mortgage Disclosure Act

RESCINDED

Summary: The Federal Reserve Board has revised its Regulation C which implements the Home Mortgage Disclosure Act to incorporate recent Congressional amendments that extend the Act permanently and expand its coverage. The new regulation is generally effective on September 19, 1988. T-62a dated October 19, 1981 is rescinded with the issuance of this Bulletin.

For Further Information Contact:
The FHLBank District in which you are located, or the Compliance Programs Division of the Office of Regulatory Activities, Washington, DC.

Supplementary Information:
The Home Mortgage Disclosure Act and the Federal Reserve Board's Regulation C require financial institutions that have over $10 million in assets, and have home or branch offices in metropolitan statistical areas (MSAs) or primary metropolitan statistical areas (PMSAs), to disclose annually their originations and purchases of home mortgage and home improvement loans. In addition to the permanent extension of the Act, Congress also expanded the Act's coverage to include savings and loan service corporations and mortgage banking subsidiaries of bank and savings and loan holding companies. The changes to the regulation also include redrafted instructions to the reporting forms to further simplify and clarify them. Attached is the *Federal Register* notice prepared by the Federal Reserve Board setting forth the amended regulation.

The amended Regulation C generally becomes effective on September 19, 1988. Mortgage banking subsidiaries of bank and savings and loan holding companies and savings and loan service corporations will be required to report data for calendar year 1988 in March of 1989. Provisions with respect to the reporting of mobile and manufactured home loans take effect on January 1, 1989.

— *Darrel Dochow, Executive Director*

Office of
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M E M O R A N D U M

TO: FHLBB Senior Management and Staff - Public Distribution

FROM: ORA PUBLICATION DEPARTMENT

DATE: September 20, 1988

Please disregard the attachment to Regulatory Bulletin TB-2 Home Mortgage Disclosure and replace it with the attached copy. Due to a copy error, pages were inadvertently deleted.

We apologize for any inconvenience this may have caused.

FEDERAL RESERVE SYSTEM

12 CFR Part 203

[Regulation C; Docket No. R-0635]

HOME MORTGAGE DISCLOSURE

Revisions to Regulation C

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule.

SUMMARY: The Board has adopted a revised Regulation C (Home Mortgage Disclosure). The revised regulation incorporates recent amendments to the Home Mortgage Disclosure Act that were contained in the Housing and Community Development Act of 1987. These statutory amendments permanently extend the act and expand its coverage to include mortgage banking subsidiaries of bank and savings and loan holding companies, and savings and loan service corporations that originate or purchase mortgage loans. Other revisions stem from a review made in accordance with the Board's Regulatory Improvement Program.

The HMDA-1 form, which is used by banks, thrifts, and other depository institutions for reporting loan data, remains essentially unchanged. The Board has adopted a separate form HMDA-2 for use by mortgage banking subsidiaries of holding companies and newly covered service corporations, because these institutions are required to exclude FHA loans from their reports.

EFFECTIVE DATES: September 19, 1988, except that the provisions in sections 203.2(f) and (g) related to the reporting of mobile and manufactured home loans will take effect on January 1, 1989. Mortgage banking subsidiaries of bank and savings and loan holding companies and savings and loan service corporations will be required to report data for calendar year 1988 in March of 1989.

FOR FURTHER INFORMATION CONTACT: John C. Wood, Senior Attorney, or Thomas J. Noto or Linda Vespereny, Staff Attorneys, Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System, Washington, DC 20551, at 202-452-2412 or 202-452-3667; for the hearing impaired *only*, contact Earnestine Hill or Dorothea Thompson, Telecommunications Device for the Deaf, at 202-452-3544.

SUPPLEMENTARY INFORMATION: (1) *Background*. The Board's Regulation C (12 CFR Part 203) implements the Home Mortgage Disclosure Act of 1975 (HMDA) (12 U.S.C. § 2801 *et seq.*). It requires depository institutions that have over $10 million in assets, and have offices in metropolitan statistical areas (MSAs) or primary metropolitan statistical areas (PMSAs), to disclose annually their originations and purchases of mortgage and home improvement loans. Data must be itemized by census tract (or by county, in some instances) and also by type of loan. A statement covering the data on a calendar year basis must be made available to the public and reported to the institution's federal supervisory agency by March 31 following the calendar year for which the data are compiled.

When originally passed in 1975, HMDA contained a "sunset" provision under which the act was to expire in 1980. A number of temporary extensions were enacted and, in the Housing and Community Development Act of 1987 (Pub. L. 100-242, § 565, 101 Stat. 1815, 1945), the Congress permanently extended HMDA by striking the sunset provision from the act. The statutory amendments were signed into law on February 5, 1988. In addition to the permanent extension, these amendments expanded the coverage of HMDA to include mortgage banking subsidiaries of bank holding companies and savings and loan holding companies, as well as savings and loan service corporations.

On May 13, 1988, the Board published for public comment an amended Regulation C to implement these and other changes (53 FR 17061). With some changes that are identified in the sections that follow, the Board is now adopting the revised regulation in final form.

(2) *Regulatory review*. The Board's Regulatory Improvement Program calls for periodic review of each of the Board's regulations to determine whether the regulation can be simplified. The Board conducted such a review of Regulation C and made a number of changes. The text of the regulation was revised to improve its clarity. Obsolete provisions were deleted, footnotes eliminated, and a detailed appendix regarding state exemptions replaced by a brief reference in the regulation. In addition, the instructions to the reporting forms were significantly reworked and should be easier to follow.

(3) *Availability of aggregated data*. As required by the Home Mortgage Disclosure Act, the Federal Financial Institutions Examination Council (with support from the Federal Reserve Board and the other financial regulators) aggregates loan data received from all reporting institutions in each MSA. The Examination Council also produces tables for each MSA showing lending patterns according to demographic characteristics such as income level and age of housing stock. These tables, together with data on the individual institutions, are sent to central data depositories in each MSA. The act specifies that the aggregated data and related tables shall be available no later than December 31 following the calendar year to which they relate. Typically, the

Examination Council has released these reports by late November or early December.

The conference report accompanying the HMDA amendments indicates Congressional interest in having the HMDA data available at the central data depositories earlier than is now the case. Member agencies of the Examination Council are implementing changes to data processing procedures in order to facilitate the earlier availability of the data. The Board believes that the revision of Regulation C, together with the expanded instructions for reporting, will serve this purpose by enhancing compliance and by reducing errors that require editing following data submission.

Several commenters on the proposal suggested ways in which the aggregation and presentation of aggregated data might be improved. Since the aggregation process is not governed by Regulation C, these suggestions will be brought to the attention of the Examination Council.

(4) *Section-by-section summary*. The changes made to each section of the revised regulation are discussed below.

Section 203.1 -- Authority, purpose, and scope

A reference has been added in section 203.1(a) to reflect the approval of information collection requirements under the Paperwork Reduction Act. A reference to HMDA has been added to the purpose statement in section 203.1(b). Now that the term "depository institution" is no longer used in the regulation (eliminating the possibility of confusion), the term "depositories" has replaced the term "repositories" in section 203.1(d), referring to the facilities where data is available in each MSA.

Section 203.2 -- Definitions

Section 203.2 contains definitions of terms used in the regulation, and has been revised as follows.

Act. The definition of "act" in section 203.2(a) has been updated.

Branch office. What qualifies as a branch office has several consequences for an institution. First, institutions that do not have a home or branch office in an MSA or PMSA are exempt from HMDA. Second, HMDA data must be itemized by census tract for loans on property located in any MSA or PMSA in which the institution has a home or branch office. For loans on property located in other MSAs or PMSAs (or not located in an MSA or PMSA at all), the data are reported as an aggregate sum without geographic itemization. Third, the data must be made available to the public at one branch office (or home office) in each MSA or PMSA where the institution has home or branch offices. Finally, the institution must post notices in all branch offices located in MSAs or PMSAs to inform the public of the availability of the HMDA data.

The revised definition set forth in section 203.2(b) takes account of the difference between the branch office structure of the newly covered mortgage banking firms and that of depository institutions such as banks and thrift institutions. While depository institutions must obtain approval from federal or state regulatory agencies to establish branch offices, mortgage banking firms generally are not required to obtain such approval.

Accordingly, the definition of branch office differs for the two classes of institutions. The definition in revised section 203.2(b)(1)(i) applies to banks, thrifts, and other depository institutions; it is the same as in the current regulation and is based on the approval process.

For other covered institutions, the Board defines "branch office" in section 203.2(b)(1)(ii) as an office of the institution that takes applications from the public for home purchase or home improvement loans. In response to comments, the words "of the institution" were added to make clear that branch offices include only facilities of the institution itself, not offices of affiliates or other third parties. This branch office definition will apply to mortgage banking subsidiaries of holding companies and saving and loan service corporations (except for those that are majority owned by a single thrift institution).

The definition of the term "financial institution" in the May proposal would have resulted in the application of the new branch office definition to majority-owned subsidiaries of depository institutions. As discussed below, the final rule does not incorporate that change. Accordingly, majority-owned subsidiaries of depository institutions (including majority-owned service corporations) will continue to be governed by the current rule, which focuses on the branch locations of the parent institution.

Federally related mortgage loan. Banks and other depository institutions are subject to HMDA only if they make "federally related mortgage loans." The definition of that term, currently in footnote 1, has been restated more concisely and incorporated in the text of the regulation as section 203.2(d).

Financial institution. Section 203.2(e) defines the institutions covered by the regulation; the term "financial institution" replaces the term "depository institution." This change is designed to avoid the confusion that might arise from the fact that, in ordinary usage, the term depository institution signifies institutions such as banks and thrifts, not mortgage banking firms and other institutions that do not take deposits. The new definition encompasses both the traditional depository institutions and the new class of covered institutions: savings and loan service corporations and mortgage banking subsidiaries of bank holding companies and savings and loan holding companies.

As noted above, depository institutions are subject to HMDA only if they make federally related mortgage loans. The statutory amendments do not condition coverage of the newly covered institutions on the making of federally related mortgage loans. The regulatory definition of "financial institution" parallels the statute.

A number of commenters asked the Board to clarify the term "mortgage banking subsidiary." Many expressed concern that, without further elaboration, the term might be construed to cover consumer finance subsidiaries of holding companies. The Board believes that the use of the qualifying term "mortgage banking" in the statutory amendments suggests that the Congress did not intend to expand coverage to institutions that make only a limited number of mortgage loans. Section 203.2(e)(1)(ii) of the final regulation defines a mortgage banking subsidiary as an institution that makes home purchase loans in an amount greater than 10% of its total loan volume, measured in dollars. This cutoff is intended to ensure that any holding company subsidiary whose line of business is other than mortgage banking, but that makes a small number of home purchase loans, will not be required to report.

The May proposal treated majority-owned subsidiaries of depository institutions as financial institutions in their own right. Consequently, these institutions would have been considered to have branch offices in any MSA where they have offices for taking loan applications from the public. A number of commenters opposed this requirement because of the significant increase in the reporting burden for subsidiaries that have offices in MSAs other than the MSAs in which the parent institution has branches. Moreover, a regulatory agency expressed concern that some of the data presently reported by these subsidiaries would no longer be reported in itemized form. Upon further analysis, the Board has decided to retain the current rule which treats majority-owned subsidiaries as part of the parent institution.

A parallel issue arises regarding the treatment of savings and loan service corporations. Although the statutory amendments brought savings and loan service corporations specifically within the coverage of HMDA, service corporations that are majority-owned subsidiaries of thrift institutions already were covered by

Regulation C. Because of the statute's specific reference to service corporations, however, the Board considered whether a majority-owned savings and loan service corporation should continue to be treated as the subsidiary of its parent institution or characterized as a "savings and loan service corporation" under the new definition in the regulation.

If treated as a majority-owned subsidiary, the service corporation would continue to report, as it does now, on a consolidated basis with its parent; its data would be itemized for MSAs where its parent has offices, and would include FHA lending. If the institution were treated as a "savings and loan service corporation," however, significantly different rules would apply. The institution would itemize data only for MSAs where it has offices for taking loan applications, rather than where its parent has branch offices, and it would be required to exclude FHA loans from its reports.

The Board believes that the intent of the Congress in enacting the statutory amendments was to extend HMDA coverage to institutions that are not already covered. Until now, only those service corporations that are majority-owned subsidiaries of thrifts have been reporting (in conjunction with their parent). Other service corporations were not subject to the regulation (for example, a corporation established by multiple thrifts, none holding a majority interest). The Board believes that the amendments were intended to apply to these latter institutions. Accordingly, under sections 203.2(e)(1)(iii) and (e)(2) in the revised definition of "financial institution," majority-owned savings and loan service corporations are deemed to be part of their parent institution.

The Board also had proposed to amend the definition of financial institution to cover industrial banks, which in recent years have taken on many of the characteristics of commercial and savings banks. Based on the comments and further analysis, the Board has decided not to include industrial banks within the definition of financial institution.

Home improvement and home purchase loans. The definitions of "home improvement loan" and "home purchase loan" are set forth in sections 203.2(f) and (g).

The definition of "home improvement loan," though revised for clarity, is substantively unchanged. The revised definition omits the reference to refinancings found in the current regulation because home improvement loans are generally not refinanced. The provision (footnotes 2 and 3 in the current regulation) permitting any first-lien loan to be reported as a home purchase loan now appears in the instructions rather than the regulatory text.

The definition of home purchase loan currently is limited to loans for the purchase of "residential real property." In contrast, a home improvement loan is defined in terms of "residential dwelling," and may include residential structures such as mobile homes that are not classified as real property in some states. In publishing the proposed regulation, the Board requested comment on whether dwelling units such as mobile or manufactured homes should specifically be covered under the home improvement or the home purchase loan definition, or both.

Although some commenters preferred that they be excluded, a majority believed that it was appropriate for loans on such property to be disclosed, given that they are an important source of housing in some areas. Accordingly, the definitions of home purchase and home improvement loans specifically include mobile and manufactured homes, whether or not these dwellings are considered real property under state law. This provision becomes effective on January 1, 1989, and therefore will not require a change in the reporting of loan data for 1988.

Several commenters requested that the disclosure requirements for home equity lines be clarified. The instructions to the reporting forms, contained in Appendix A, specify that the data for home improvement loans may include that portion of a home equity line of credit which the borrower indicates, when the line is established, will be used for home improvement purposes.

Commenters also requested clarification on the treatment of assumptions. The Board believes that if an institution expressly agrees in writing with a new party to accept that party as the obligor on an existing home purchase loan, the transaction should be treated as a new home purchase loan. But if a new party takes over an existing obligation without a written agreement, the loan is not reportable under HMDA.

Section 203.3 -- Exempt institutions

Section 203.3 excludes from the coverage of the regulation small institutions, institutions without offices in MSAs, and institutions that are subject to a similar state law and have been granted an exemption from the federal law.

The provisions of this section have been reorganized and the language clarified; the substantive rules remain unchanged. Material relating to state law exemptions has been grouped together in section 203.3(b). A new section 203.3(b)(2) has been added to indicate that a state or a financial institution may apply to the Board for an exemption from the regulation based on the existence of a similar state disclosure law. This reference replaces the detailed discussion in current Appendix B (which the

Board has deleted) about the filing of applications for state exemptions.

The Board has received questions about how data should be reported in cases where a merger of two or more financial institutions occurs. In some cases, the merger of two institutions that previously were both exempt, because of their asset size, may produce a successor institution whose assets exceed the $10 million cutoff. In other cases, a covered institution may merge with one that was previously exempt because of asset size or location outside an MSA.

In the case of two exempt institutions, the successor institution that becomes subject to HMDA will be required to disclose loan data for the calendar year following the year in which the merger took place.

If two institutions merge and only one of them was previously covered, the successor institution is required to report loan data, for the covered institution, for the calendar year in which the merger took place. That report may, but need not, also include loan data for the previously exempt institution. Beginning with the following calendar year, the institution will file a consolidated report that includes all loan data.

A similar reporting question arises when the institutions that merge are both covered institutions. If two covered institutions merge, the successor institution may file a consolidated report for the calendar year in which they merge, but has the option of filing separate reports for that year. Beginning with the following calendar year, the institution will file a consolidated report that includes all loan data.

Section 203.4 -- Compilation of loan data

Section 203.4 sets forth the requirements for itemization of loan data by census tract or county and by type of loan, and is the basis for the detailed instructions that accompany the reporting forms contained in the revised Appendix A. Substantive changes are noted below. Revised section 203.4(a) incorporates material from current sections 203.4(a) and (b). Section 203.4(b) has been restructured for readability, and also incorporates the rules on MSAs and census tracts presently found in section 203.4(d).

With regard to census tracts, the revised regulation refers to "the most recent census tract series" issued by the Census Bureau. The most recent series is currently the 1980 series. Use of the 1980 series is necessary because 1980 census data is used by the Federal Financial Institutions Examination

Council in preparing tables illustrating lending patterns in each MSA.

Section 203.4(c) lists types of loans to be excluded from the disclosures. The six listed in paragraph (c)(1) apply both to depository institutions and to the newly covered institutions. The exclusions for loans made in a fiduciary capacity, loans on unimproved land, and certain refinancings are drawn from current section 203.4(c). The final rule specifies that a refinancing between the original parties should not be reported if the only increase in the principal results from closing costs or unpaid finance charges that are being financed.

Two of the remaining three exclusions (temporary financing and the purchase of an interest in a pool of loans) were moved into revised section 203.4 from the definition of "home purchase loan" in current section 203.2(f).

The sixth exclusion relates to loan servicing rights. The purchase of servicing rights in secondary market transactions is a practice common among mortgage bankers. When loans are sold, for example, the buyer may issue securities backed by a pool of loans that it has acquired. The right to service the loans, however, may be retained by the seller/originator of the mortgages. These servicing rights may later be transferred from one institution to another for a purchase price that is usually a small percentage (such as 1 or 2 percent) of the value of the underlying loans.

The act and regulation require institutions to report data on mortgage loans that they purchase. The Board believes that a covered institution's purchase of these servicing rights does not accurately reflect the extent to which an institution has made mortgage credit available in a community. Accordingly, the regulation excludes from the reporting requirement the purchase solely of servicing rights to mortgage loans.

Section 203.4(c)(2) applies only to mortgage banking subsidiaries and savings and loan service corporations that are not majority-owned. It excludes from the reporting requirement loans that are insured under Title I or II of the National Housing Act (that is, FHA-insured home improvement and home purchase loans), implementing new section 304(g) of HMDA, which expressly provides for their exclusion. (Under section 311 of HMDA, data on FHA-insured loans made by these types of lenders are to be collected by the U.S. Department of Housing and Urban Development.) As discussed under Appendix A, the Board has provided an optional form HMDA-2A that may be used by these institutions to disclose their FHA lending activity.

Section 203.5 -- Disclosure and reporting

Section 203.5 relates to making loan data available at offices of an institution and reporting the data to supervisory agencies. As under the current provisions, disclosure statements for a given calendar year are due by the following March 31.

This section also requires institutions to post notices regarding the availability of HMDA data. Posters that may be used to meet the notice requirement are available from federal supervisory agencies. The revised section clarifies that an institution may, in its notice, give the location where disclosure statements are available.

Section 203.6 -- Enforcement

Section 203.6 sets forth rules relating to administrative enforcement and bona fide errors. The language and structure of this section have been revised to clarify its provisions.

Appendix A -- Forms and instructions

Appendix A of the current regulation, which lists supervisory agencies, is designated Appendix B in the revised regulation; and the current Appendix C, containing the mortgage disclosure forms, is now Appendix A.

The revised Appendix A contains two reporting forms and accompanying instructions, plus an optional form. Institutions must use the prescribed format of the HMDA-1 or HMDA-2 form, as appropriate, but are not required to use the form itself. An institution may, for example, choose to produce a computer printout of its disclosure statement instead.

The HMDA-1 reporting form continues to be the prescribed form for use by commercial banks, savings banks, savings and loan associations, building and loan associations, homestead associations (including cooperative banks), and credit unions. The instructions for completing the form have been expanded significantly to facilitate compliance; the form itself is unchanged except for minor revisions. Column headings have been changed to read "total dollar amount" instead of "principal amount," but the data to be reported in these columns remain the same. Accordingly, institutions will not have to make changes in their data processing procedures for compiling the data. A signature line has been added, calling for an officer of the reporting institution to certify to the accuracy of the report.

A new form HMDA-2 and accompanying instructions have been added for use by savings and loan service corporations and mortgage banking subsidiaries of bank holding companies and savings and loan holding companies, which will not report FHA loans. The provision of a new form is intended to minimize confusion for reporting institutions. The Board has provided an optional form, HMDA-2A, that may be used by institutions that wish to maintain a public record of their FHA lending activity. Use of the form is optional; the form will not be submitted to supervisory agencies, but could be made available to the public (along with the required HMDA data) at the institution's own offices.

Notice of the changes to the HMDA-1 reporting form and of the Board's adoption of a new HMDA-2 and HMDA-2A is being published elsewhere in this issue of the *Federal Register*, to comply with the requirements of the Paperwork Reduction Act.

Appendix B -- Federal supervisory agencies

Appendix B of the current regulation, relating to applications for state exemptions, has been deleted. In its place, a reference to the availability of state exemptions has been added to section 203.3.

Current Appendix A, which lists enforcement agencies, has been designated Appendix B. The Board has amended the appendix to incorporate references specifying that mortgage banking subsidiaries of bank holding companies shall submit HMDA reports to the Federal Reserve System, and that savings and loan service corporations and mortgage banking subsidiaries of savings and loan holding companies shall submit theirs to the Federal Home Loan Bank System. These reporting arrangements are appropriate in view of the Federal Reserve's general supervisory responsibility for non-bank subsidiaries of bank holding companies, and the Federal Home Loan Bank System's parallel responsibility for savings and loan service corporations and mortgage banking subsidiaries of savings and loan holding companies.

(5) *Effective dates.* Mortgage banking subsidiaries of holding companies, and savings and loan service corporations that are not majority-owned by any one thrift institution, will be required to report data on loan originations and purchases for calendar year 1988. Their first report will be due on March 31, 1989. A number of commenters asked that these institutions not be required to report data for 1988. However, because the statutory amendments specify the effective date for coverage, the Board is unable to delay the reporting requirements.

Changes related to reporting of mobile and manufactured home loans, whether or not these dwellings are characterized as realty under state law, will take effect on January 1, 1989 (to be reported on statements filed in March of 1990).

(6) ***Economic impact statement.*** The Board's Division of Research and Statistics has prepared an economic impact statement on the revisions to Regulation C. A copy of the analysis may be obtained from Publications Services, Board of Governors of the Federal Reserve System, Washington, DC 20551, at 202-452-3245.

List of Subjects in 12 CFR Part 203

Banks, Banking, Consumer protection, Federal Reserve System, Home mortgage disclosure, Mortgages, Reporting and recordkeeping requirements.

For the reasons set out in this notice and pursuant to the Board's authority under section 305(a) of the Home Mortgage Disclosure Act (12 U.S.C. 2804(a)), 12 CFR Part 203 is revised to read as follows:

PART 203 -- HOME MORTGAGE DISCLOSURE

Section 203.1	Authority, purpose, and scope.
Section 203.2	Definitions.
Section 203.3	Exempt institutions.
Section 203.4	Compilation of loan data.
Section 203.5	Disclosure and reporting.
Section 203.6	Enforcement.
Appendix A	Forms and instructions.
Appendix B	Federal supervisory agencies.

AUTHORITY: 12 U.S.C. 2801-2810.

SECTION 203.1 -- Authority, purpose, and scope.

(a) ***Authority.*** This regulation is issued by the Board of Governors of the Federal Reserve System ("Board") pursuant to the Home Mortgage Disclosure Act (12 U.S.C. 2801 *et seq.*). The information collection requirements have been approved by the U.S. Office of Management and Budget under 44 U.S.C. 3501 *et seq.* and have been assigned OMB No. 7100-0090.

(b) ***Purpose.*** (1) This regulation carries out the purposes of the Home Mortgage Disclosure Act, which is intended to provide the public with loan data that can be used:

(i) to help determine whether financial institutions are serving the housing needs of their communities; and

(ii) to assist public officials in distributing public sector investments so as to attract private investment to areas where it is needed.

(2) Neither the act nor this regulation is intended to encourage unsound lending practices or the allocation of credit.

(c) *Scope*. This regulation applies to financial institutions, as defined in section 203.2(e), and requires them to disclose loan data at their home and certain branch offices and to report the data to supervisory agencies.

(d) ***Central data depositories***. Loan data are available to the public at central data depositories located in each metropolitan statistical area. The Federal Financial Institutions Examination Council aggregates loan data for all institutions in each metropolitan statistical area, showing lending patterns by location, age of housing stock, income level, and racial characteristics. A listing of central data depositories can be obtained from the U.S. Department of Housing and Urban Development, Washington, D.C. 20410, or from any of the agencies listed in Appendix B.

SECTION 203.2 -- Definitions.

In this regulation:

(a) *Act* means the Home Mortgage Disclosure Act (12 U.S.C. 2801 *et seq*.).

(b) *Branch office* means: (1)(i) any office of a financial institution that is approved as a branch by a federal or state supervisory agency; or

(ii) for a financial institution that is not required to obtain approval for a branch office, any office of the institution that takes applications from the public for home purchase or home improvement loans.

(2) The term excludes free-standing automated teller machines and other electronic terminals.

(c) ***Federal Housing Administration (FHA), Farmers Home Administration (FmHA), or Veterans Administration (VA) loans*** mean mortgage loans insured under Title II of the National Housing Act or Title V of the Housing Act of 1949 or guaranteed under Chapter 37 of Title 38 of the United States Code.

(d) ***Federally related mortgage loan*** means any loan (other than temporary financing such as a construction loan) secured by a first lien on a 1-to-4 family dwelling (including a condominium, a cooperative, or a mobile or manufactured home):

(1) that is originated by a federally insured or regulated institution;

(2) that is insured, guaranteed, or supplemented by any federal agency; or

(3) that the originator intends to sell to the Federal National Mortgage Association, the Government National Mortgage Association, or the Federal Home Loan Mortgage Corporation.

(e) ***Financial institution*** means: (1)(i) a commercial bank, savings bank, savings and loan association, building and loan association, homestead association (including a cooperative bank) or credit union that originates federally related mortgage loans;

(ii) a mortgage banking subsidiary of a savings and loan holding company, or a mortgage banking subsidiary of a bank holding company; however, a subsidiary is not a "mortgage banking subsidiary" under this section unless, in the preceding calendar year, ten percent or more of its loan volume, measured in dollars, consisted of home purchase loans; or

(iii) a savings and loan service corporation that originates or purchases mortgage loans, other than a savings and loan service corporation identified in paragraph (e)(2) of this section.

(2) A majority-owned subsidiary of a financial institution, including a majority-owned savings and loan service corporation, is deemed to be part of the parent institution for purposes of this regulation.

(f) ***Home improvement loan*** means any loan that: (1) is stated by the borrower (at the time of the loan application) to be for the purpose of repairing, rehabilitating, or remodeling a residential dwelling (including a condominium, cooperative, or mobile or manufactured home) located in a state; and

(2) is classified by the financial institution as a home improvement loan.

(g) ***Home purchase loan*** means any loan secured by and made for the purpose of purchasing, or refinancing the purchase of, a residential dwelling (including a condominium, cooperative, or mobile or manufactured home) located in a state.

(h) ***Metropolitan statistical area*** or ***MSA*** means a metropolitan statistical area or a primary metropolitan statistical area, as defined by the U.S. Office of Management and Budget.

(i) *State* means any state of the United States of America, the District of Columbia, and the Commonwealth of Puerto Rico.

SECTION 203.3 -- Exempt institutions.

(a) ***Exemption based on asset size or location.*** A financial institution is exempt from the requirements of this regulation for a given calendar year if on the preceding December 31:

(1) its total assets were $10,000,000 or less; or

(2) it had neither a home office nor a branch office in an MSA.

(b) ***Exemption based on state law.*** (1) A state-chartered financial institution is exempt from the requirements of this regulation if the Board determines that the institution is subject to a state disclosure law that contains requirements substantially similar to those imposed by this regulation and contains adequate provisions for enforcement.

(2) Any state, state-chartered financial institution, or association of such institutions may apply to the Board for an exemption under this paragraph.

(3) An institution that is exempt under this paragraph shall submit the data required by the state disclosure law to its state supervisory agency, for purposes of aggregation.

(c) ***Loss of exemption.*** (1) An institution losing an exemption that was based on asset size or location under paragraph (a) of this section shall compile loan data in compliance with this regulation beginning with the calendar year following the year in which it lost its exemption.

(2) An institution losing an exemption that was based on state law under paragraph (b) of this section shall compile loan data in compliance with this regulation beginning with the calendar year following the year for which it last reported loan data under the state disclosure law.

SECTION 203.4 -- Compilation of loan data.

(a) ***Data to be included.*** A financial institution shall compile data on the number and total dollar amount of home purchase and home improvement loans originated or purchased (by the institution and any majority-owned subsidiary) at any time during the calendar year, whether or not the loans are later sold. The institution shall compile the loan data in the format prescribed in Appendix A of this regulation.

(b) ***Itemization of data.*** A financial institution shall present the loan data separately for originations and purchases, itemizing the data by census tract or county and by type of loan, as prescribed below. It shall use the MSA boundaries (defined by the U.S. Office of Management and Budget) that were in effect on January 1 of the calendar year for which the data are compiled, and shall use the census tract maps from the most recent census tract series prepared by the U.S. Bureau of the Census.

(1) ***Geographic itemization.*** (i) *Itemization by census tract or county.* For each MSA in which the institution has a home or branch office, the institution shall itemize the loan data:

(A) by the census tract in which the property purchased or improved is located, or

(B) by the county in which the property purchased or improved is located, if the property is located in an area not assigned census tracts or in a county with a population of 30,000 or less.

(ii) *Property located elsewhere.* The institution shall list the loan data as an aggregate sum for loans on property located outside an MSA, or located in an MSA where the institution has neither a home nor a branch office.

(2) ***Type-of-loan itemization.*** The financial institution shall further itemize the loan data within each geographic unit by loan category as follows:

(i) FHA, FmHA, and VA home purchase loans on 1-to-4 family dwellings (except as provided in paragraph (c)(2) of this section);

(ii) conventional home purchase loans on 1-to-4 family dwellings;

(iii) home improvement loans on 1-to-4 family dwellings;

(iv) loans on dwellings for 5 or more families (including both home purchase and home improvement loans); and

(v) loans reported in the 1-to-4 family categories that are made to nonoccupant borrowers, except for loans on property located outside an MSA, or located in an MSA where the institution has neither a home nor a branch office.

(c) ***Data to be excluded.*** (1) A financial institution shall not report:

(i) loans originated or purchased by the financial institution acting in a fiduciary capacity (such as trustee);

(ii) loans on unimproved land;

(iii) refinancings, between the original parties, involving no increase in the outstanding principal aside from closing costs and accrued finance charges;

(iv) temporary financing (such as bridge or construction loans);

(v) the purchase of an interest in a pool of mortgage loans (such as mortgage participation certificates); or

(vi) the purchase solely of the right to service loans.

(2) Mortgage banking subsidiaries of holding companies and savings and loan service corporations (as defined in section 203.2(e)(1)) shall not report FHA loans insured under Title I or II of the National Housing Act.

SECTION 203.5 -- Disclosure and reporting.

(a) ***Time requirements.*** By March 31 following the calendar year for which the loan data are compiled, a financial institution shall:

(1) make a complete loan data disclosure statement available to the public, and continue to make it available for five years from that date; and

(2) send two copies of its complete loan disclosure statement to the agency office specified in Appendix B of this regulation.

(b) ***Availability to the public.*** (1) A financial institution shall make a complete loan disclosure statement available at its home office.

(2) If it has branch offices in other MSAs, the financial institution shall also make a statement available in at least one branch office in each of those MSAs; the statement at a branch office need only contain data relating to property in the MSA where that branch office is located.

(3) A financial institution shall make its disclosure statement available for inspection and copying during the hours the office is normally open to the public for business. A financial institution that provides photocopying facilities may impose a reasonable charge for this service.

(c) ***Notice of availability***. A financial institution shall post a general notice about the availability of its disclosure statement in the lobbies of its home office and any branch offices located in an MSA. Upon request, it shall promptly provide the location of the institution's offices where the disclosure statement is available. At its option, an institution may include the location in its notice.

SECTION 203.6 -- Enforcement.

(a) ***Administrative enforcement***. A violation of the act or this regulation is subject to administrative sanctions as provided in section 305 of the act. Compliance is enforced by the agencies listed in Appendix B of this regulation.

(b) ***Bona fide errors***. An error in compiling or disclosing loan data is not a violation of the act or this regulation if it was unintentional and occurred despite the maintenance of procedures reasonably adapted to avoid such errors.

APPENDIX A - FORMS AND INSTRUCTIONS

HMDA-1, "MORTGAGE LOAN DISCLOSURE STATEMENT"

Public reporting burden for this collection of information is estimated to vary from 2 to 50 hours per response, with an average of 30 hours per response, including time to gather and maintain the data needed and to review instructions and complete the information collection. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to Secretary, Board of Governors of the Federal Reserve System, Washington, D. C. 20551; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D. C. 20503.

INSTRUCTIONS TO COMMERCIAL BANKS, SAVINGS BANKS, SAVINGS AND LOAN ASSOCIATIONS, CREDIT UNIONS AND OTHER DEPOSITORY INSTITUTIONS

A. *Who Must Use This Form*

1. A commercial bank, savings bank, savings and loan association, building and loan association, homestead association (including a cooperative bank) or credit union must complete this HMDA-1 form to disclose loan data for a given calendar year if on the preceding December 31 the institution:

   a. had assets of more than $10 million, and

   b. had a home or a branch office in a metropolitan statistical area (MSA) or a primary metropolitan statistical area (PMSA).

   Example: If on December 31, 1987, your home office was located in an MSA and your assets exceeded $10 million, you must compile data and complete a disclosure statement for all home purchase and home improvement loans that you originate or purchase during calendar year 1988.

2. However, your institution need not complete a disclosure statement -- even though it meets the tests for asset size and location -- if it makes ***no*** first-lien mortgage loans on 1-to-4 family dwellings in the calendar year for which the data are compiled.

3. Any majority-owned subsidiary is deemed to be part of the parent institution. Consequently, you should consolidate into your disclosure statement loan data relating to originations and purchases by all of your institution's majority-owned subsidiaries (including a majority-owned service corporation, in the case of a savings and loan association). To comply with the requirements described under section G (Geographic Itemization) below, itemize loan data for MSAs

or PMSAs where ***the parent institution*** has a home or branch offices.

Example: If you have a home and branch offices in New York City, and your subsidiary's loan offices are in Philadelphia, itemize data by census tract (or county) only for the New York PMSA. Report loan data on loans relating to property located anywhere outside the New York PMSA (including loans in Philadelphia) as an aggregate sum in Section 2 (Loans on property not located in MSAs/PMSAs where institution has home or branch offices).

B. ***Who Must Use Other Forms***

1. Mortgage banking subsidiaries of bank holding companies, mortgage banking subsidiaries of savings and loan holding companies, and savings and loan service corporations that originate or purchase mortgage loans (other than service corporations that are majority-owned by a single savings and loan association) must use the HMDA-2 form instead of the HMDA-1.

2. Institutions that have been exempted by the Federal Reserve Board from complying with federal law because they are covered by a similar state law on mortgage loan disclosures must use the disclosure form required by their state law.

C. ***Format***

1. You must use the format of the HMDA-1 form, but you are not required to use the form itself. For example, you may produce a computer printout of your disclosure statement instead. But you must give all the identifying information asked for at the top of the form, use the prescribed column headings, provide the signature of a certifying officer, etc.

2. If your report on loan originations or purchases consists of more than one page, number the pages and include the name of your institution and the MSA number at the top of each page. Enter the totals for the MSA on the final page; do not give subtotals on earlier pages. Report the Section 2 data (Loans on property not located in MSAs/PMSAs) on the final page. If your report contains itemized data for more than one MSA, report the Section 2 data only once for Part A and once for Part B -- do not repeat the data on the report for each MSA.

D. ***When and Where Statement is Due***

1. You must send two copies of your disclosure statement to the office specified by your federal supervisory agency no later than March 31 following the calendar year for which the loan data are compiled.

2. The completed disclosure statement must be signed by an officer of your institution (for both Part A and Part B, on the final page of each) certifying to the accuracy of the data and indicating whether the statement includes data of a majority-owned subsidiary. (See paragraph 3 of section A above.)

3. You also must make your disclosure statement available no later than March 31 for inspection by the public at your home office and, if you have branch offices in other MSAs, at one branch office in each of these MSAs.

E. *Data to Be Shown*

1. *Originations and purchases.* Show the data on home purchase and home improvement loans that you originated or purchased during the calendar year covered by the disclosure statement. Report the data on loan originations on Part A of the form and the data on loan purchases on Part B of the form even if the loans were subsequently sold. If you have no loans to report in one of the two parts, enter "none" in the column provided for census tract numbers and enter zeros in Columns A through E; this helps to show that no part of an institution's report has been lost.

2. *Number and total dollar amount.* Show the number of loans and the total dollar amount of loans for each category on the statement. For home purchase loans that you originate, "total dollar amount" means the original principal amount of the loan. For home purchase loans that you purchase, "total dollar amount" means the unpaid principal balance of the loan at time of purchase. For home improvement loans (both originations and purchases), you may include unpaid finance charges in the "total dollar amount" if that is how you record such loans on your books.

3. *Rounding.* Round all dollar amounts to the nearest thousand ($500 should be rounded up), and show in terms of thousands.

F. *Data to Be Excluded*

Do not report the following types of loans:

1. loans that, although secured by real estate, are made for purposes other than for home purchase or home improvement (for example, do not report a loan secured by residential real property for purposes of financing education, a vacation, or business operations);

2. loans made or purchased in a fiduciary capacity (for example, by your trust department);

3. loans on unimproved land;

4. refinancings that involve no increase in the outstanding principal, aside from closing costs and unpaid finance charges;

5. construction loans and other temporary financing;

6. purchase of an interest in a pool of mortgage loans such as mortgage participation certificates; or

7. purchases solely of the right to service loans.

G. *Geographic Itemization (breakdown of loan data for each MSA or PMSA by census tract or county and of loan data in the outside-MSA/PMSA category).*

1. *MSA/PMSA*. You must compile loan data geographically for each MSA or PMSA in which you have a home or branch office. (See item 6 below for treatment of loans on property outside MSAs/PMSAs). Start a new page for each MSA or PMSA, if you itemize data for more than one MSA/PMSA. You must use the MSA/PMSA boundaries (defined by the U.S. Office of Management and Budget) that were in effect on January 1 of the calendar year for which the loan data are compiled.

2. *Census tract or county*. For loans on property that is located within one of these MSAs or PMSAs, itemize the data by the census tract in which the property is located, except that you must itemize the data by county *instead* of census tract when the property:

   a. is located in an area that is not divided into census tracts on the U. S. Census Bureau's census tract outline maps (see item 3 below); or

b. is located in a county with a population of 30,000 or less.

To determine population, use the Census Bureau's PC80-1-A population series even if the population has increased above 30,000 since 1980.

3. *Census tract maps*. To determine census tract numbers, consult the U. S. Census Bureau's census tract outline maps. You may use the maps of the appropriate MSAs/PMSAs in the Census Bureau's PHC80-2 series for the 1980 census, or use equivalent census data from the Census Bureau (such as GBF/DIME files) or from a private publisher. Use the maps in the 1980 series even if more current maps are available.

4. *Compilation*. Enter the data for all loans made in a given census tract on the same line, listing the number and total dollar amount in the appropriate columns (as described below in section H) and listing the census tracts in numerical sequence. Do the same for loans made in a given county.

5. *Duplicate census tract numbers*. If you have a home or branch office in the New York, NY PMSA, note that there are duplicate census tract numbers in New York City. When reporting, you must indicate the county (by name or number) in addition to the tract number for these census tracts.

6. *Outside-MSA/PMSA*. If the loans are for property that is located outside those MSAs or PMSAs in which you have a home or branch office (or outside any MSA or PMSA), report the loan data as an aggregate sum in Section 2 of the form. You do not have to itemize these loans by census tract or county. (But you will have to itemize the data by type of loan, as described in section H below.)

H. *Type-of-Loan Itemization (Breakdown of each geographic grouping into loan categories -- Columns A-E).*

Column A: FHA, FmHA, and VA loans on 1-to-4 family dwellings.

1. Report in Column A loans made for the purpose of purchasing a residential dwelling for 1 to 4 families if the loan is secured by a lien and if it is insured or guaranteed by FHA, FmHA, or VA.

2. At your option, you may include loans that are made for home improvement purposes but are secured by a first lien, if you normally classify first-lien loans as purchase loans.

3. Include refinancings if there is an increase in the outstanding principal aside from any increase related to closing costs or unpaid finance charges.

4. Include any nonoccupant FHA, FmHA, or VA loans in this column as well as in Column E.

5. Do not report any FHA Title I (home improvement) loans in Column A; these loans are to be entered in Column C.

Column B: Conventional home purchase loans on 1-to-4 family dwellings.

1. Report in Column B conventional loans (all loans other than FHA, FmHA, and VA loans) made for the purpose of purchasing a residential dwelling for 1 to 4 families if the loans are secured by a lien.

2. Include refinancings if there is an increase in the outstanding principal aside from any increase related to closing costs or unpaid finance charges.

3. Include any nonoccupant conventional loans in this column as well as in Column E.

4. At your option, you may include loans that are made for home improvement purposes but that are secured by a first lien, if you normally classify first-lien loans as purchase loans.

Column C: Home improvement loans on 1-to-4 family dwellings.

1. Report in Column C only loans that:

   a. the borrowers have said are to be used for repairing, rehabilitating, or remodeling residential dwellings, and

   b. are recorded on your books as home improvement loans.

2. For home equity lines of credit, you may include in Column C that portion of the line of credit that the borrower indicates will be used for home improvement, at the time the account is opened. Report only in the year the line is established.

3. Include both secured and unsecured loans.

4. You may include unpaid finance charges in the "total dollar amount" if that is how you record such loans on your books.

5. Include any nonoccupant home improvement loans in this column as well as in Column E.

Column D: Loans on multifamily dwellings (5 or more families).

1. Report in Column D loans on dwellings for 5 or more families, including both loans for home purchase and loans for home improvement.

2. Do not report loans on individual condominium or cooperative units in Column D; report such loans in Columns A, B, or C.

Column E: Nonoccupant loans on 1-to-4 family dwellings.

1. Report in Column E any home purchase and home improvement loans on 1-to-4 family dwellings (listed in Columns A, B, and C) that were made to borrowers who indicated at the time of the loan application that they did not intend to use the property as a principal dwelling.

2. In completing Column E of Part B, you may assume that a purchased loan does not fall within this "nonoccupant" category unless your documents contain information to the contrary.

3. Do not complete Column E for loans that you report under Section 2 (Loans on property not located in MSAs/PMSAs), in either Part A (Originations) or Part B (Purchases).

OMB No. 7100-0090 Approval expires June 1990.
This report is required by law (12 USC 2801-2810 and 12 CFR 203).

MORTGAGE LOAN DISCLOSURE STATEMENT, FORM HMDA-1

FOR USE BY DEPOSITORY INSTITUTIONS

Control number (agency use only)

Part A—Originations   Report for loans made in 19___

Reporting institution

____
Name

____
Address

Enforcement agency for reporting institution

____
Name

____
Address

MSA/PMSA number for data reported in Section 1 ______

____
Name of MSA/PMSA

Section 1—Loans on property located in MSA/PMSA where institution has a home or branch office

CENSUS TRACT (in numerical sequence) or COUNTY (name or number)	Loans on 1-to-4 Family Dwellings						Loans on Multifamily Dwellings for 5 or More Families (home purchases and home improvement)		Nonoccupant Loans on 1-to-4 Family Dwellings from columns A, B and C	
	Home Purchase Loans				Home Improvement Loans					
	FHA, FmHA, and VA		Conventional							
	A		B		C		D		E	
	No. of Loans	Total Dollar Amount (thousands)	No. of Loans	Total Dollar Amount (thousands)	No. of Loans	Total Dollar Amount (thousands)	No. of Loans	Total Dollar Amount (thousands)	No. of Loans	Total Dollar Amount (thousands)
MSA/PMSA TOTAL										

Section 2—Loans on property not located in MSAs/PMSAs where institution has home or branch offices

I hereby certify to the accuracy of this report.
The report includes [ ] does not include [ ] loan data for majority-owned subsidiaries.

____
Signature of Certifying Officer

____
Print Name of Person Completing Form

____
Telephone Number (include Area Code and Extension)

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MORTGAGE LOAN DISCLOSURE STATEMENT, FORM HMDA-1

FOR USE BY DEPOSITORY INSTITUTIONS

Control number (agency use only)

Part B—Purchases   Report for loans made in 19___

Reporting institution

Name

Address

Enforcement agency for reporting institution

Name

Address

MSA/PMSA number for data reported in Section 1 ______

Name of MSA/PMSA

Section 1—Loans on property located in MSA/PMSA where institution has a home or branch office

CENSUS TRACT (in numerical sequence) or COUNTY (name or number)	Loans on 1-to-4 Family Dwellings						Loans on Multifamily Dwellings for 5 or More Families (home purchases and home improvement)		Nonoccupant Loans on 1-to-4 Family Dwellings from columns A, B and C	
	Home Purchase Loans				Home Improvement Loans					
	FHA, FmHA, and VA A		Conventional B		C		D		E	
	No. of Loans	Total Dollar Amount (thousands)	No. of Loans	Total Dollar Amount (thousands)	No. of Loans	Total Dollar Amount (thousands)	No. of Loans	Total Dollar Amount (thousands)	No. of Loans	Total Dollar Amount (thousands)
MSA/PMSA TOTAL										

Section 2—Loans on property not located in MSAs/PMSAs where institution has home or branch offices

I hereby certify to the accuracy of this report.
The report includes ☐ does not include ☐ loan data for majority-owned subsidiaries.

Signature of Certifying Officer

Print Name of Person Completing Form

Telephone Number (include Area Code and Extension)

FORM HMDA-2, "MORTGAGE LOAN DISCLOSURE STATEMENT"

Public reporting burden for this collection of information is estimated to vary from 30 to 100 hours per response, with an average of 60 hours per response, including time to gather and maintain the data needed and to review instructions and complete the information collection. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to Secretary, Board of Governors of the Federal Reserve System, Washington, D. C. 20551; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D. C. 20503.

INSTRUCTIONS TO MORTGAGE BANKING SUBSIDIARIES OF HOLDING COMPANIES AND TO SAVINGS AND LOANS SERVICE CORPORATIONS

A. *Who Must Use This Form*

1. A mortgage banking subsidiary of a bank holding company, a mortgage banking subsidiary of a savings and loan holding company, or a savings and loan service corporation that originates or purchases mortgage loans (other than a service corporation that is majority-owned by a single savings and loan association) must complete this HMDA-2 form to disclose loan data for the current calendar year if on the preceding December 31 the subsidiary or service corporation:

   a. had assets of more than $10 million, and

   b. had a home or branch office in a metropolitan statistical area (MSA) or a primary metropolitan statistical area (PMSA).

   Example: If on December 31, 1987, your home office was in an MSA and your assets exceeded $10 million, you must compile data and complete a disclosure statement for all home purchase and home improvement loans that you originate or purchase during calendar year 1988.

2. For purposes of loan disclosure requirements (including geographic itemization under section G below), a branch office means any office of your institution (not of an affiliate) that takes applications from the public.

3. You must use the format of the HMDA-2 form, but you are not required to use the form itself. For example, you may produce a computer printout of your disclosure statement instead. But you must be sure to include all of the identifying information asked for at the top of the form, to use the prescribed column headings, to provide the signature of the certifying officer, etc.

B. ***Who Must Use Other Forms***

1. Commercial banks, savings and loan banks, savings and loan associations, building and loan associations, homestead associations (including cooperative banks) and credit unions must use the form HMDA-1, instead of the HMDA-2.

2. A service corporation that is majority-owned by a single savings and loan association is deemed to be part of the parent institution, and its loan data will be reported on a consolidated basis with the parent's data on the HMDA-1.

3. Institutions that have been exempted by the Federal Reserve Board from complying with the federal law because they are covered by a similar state law on mortgage loan disclosures must use the disclosure form required by their state law.

C. ***Format***

1. You must use the format of the HMDA-2 form, but you are not required to use the form itself. For example, you may produce a computer printout of your disclosure statement instead. But you must give all the identifying information asked for at the top of the form, use the prescribed column headings, provide the signature of a certifying officer, etc.

2. If your report on loan originations or purchases consists of more than one page, number the pages and include the name of your institution and the MSA number at the top of each page. Enter the totals for the MSA on the final page; do not give subtotals on earlier pages. Report the Section 2 data (Loans on property not located in MSAs/PMSAs) on the final page. If your report contains itemized data for more than one MSA, report the Section 2 data only once for Part A and once for Part B -- do not repeat the data on the report for each MSA.

D. ***When and Where Statement is Due***

1. You must send two copies of your disclosure statement to the office specified by your federal supervisory agency no later than March 31 following the calendar year for which the loan data are compiled.

2. The completed disclosure statement must be signed by an officer of your institution (for both Part A and Part B on the final page of each), certifying to the accuracy of the data.

3. You also must make your disclosure statement available no later than March 31 for inspection by the public at your

home office and, if you have branch offices in other MSAs, at one branch office in each of these MSAs.

E. *Data to Be Shown*

1. *Originations and purchases.* Show the data on home purchase and home improvement loans that you originated or purchased during the calendar year covered by the disclosure statement. Report the data on loan originations on Part A of the form and the data on purchases on Part B of the form even if the loans were subsequently sold. If you have no loans to report in one of the two parts, enter "none" in the column provided for census tract numbers and enter zeros in Columns A through E; this helps to show that no part of an institution's report has been lost.

2. *Number and total dollar amount.* Show both the number of loans and the total dollar amount of loans for each category on the statement. For home purchase loans that you originate, "total dollar amount" means the original principal amount of the loan. For home purchase loans that you purchase, "total dollar amount" means the unpaid principal balance of the loan at time of purchase. For home improvement loans (both originations and purchases), you may include unpaid finance charges in the "total dollar amount" if that is how you record such loans on your books.

3. *Rounding.* Round all dollar amounts to the nearest thousand ($500 should be rounded up), and show in terms of thousands.

F. *Data to Be Excluded*

Do not report the following types of loans:

1. loans that, although secured by real estate, are made for purposes other than for home purchase or home improvement (for example, do not report a loan secured by residential real property for purposes of financing education, a vacation, or business operations);

2. loans made or purchased in a fiduciary capacity;

3. loans on unimproved land;

4. refinancings of loans that involve no increase in the outstanding principal, aside from closing costs and unpaid finance charges;

5. construction loans and other temporary financing;

6. purchase of an interest in a pool of mortgage loans such as mortgage participation certificates;

7. purchases solely of the right to service loans; or

8. FHA home purchase and home improvement loans (at your option, you may record FHA Loans on form HMDA-2A, "Mortgage Loan Statement for Optional Disclosure of FHA Loans").

G. ***Geographic Itemization (breakdown of loan data for each MSA or PMSA by census tract or county, and aggregation of loan data for the outside-MSA/PMSA category).***

1. *MSA/PMSA*. You must compile loan data geographically for each MSA or PMSA in which you have a home or branch office. (See item 6 below for treatment of loans on property outside such MSAs/PMSAs). Start a new page for each MSA or PMSA if you itemize data for more than one MSA/PMSA. You must use the MSA/PMSA boundaries (defined by the U.S. Office of Management and Budget) that were in effect on January 1 of the calendar year for which the loan data are compiled.

2. *Census tract or county*. For loans on property that is located within one of these MSAs or PMSAs, itemize the data by the census tract in which the property is located, except that you must itemize the data by county *instead* of census tract when the property:

   a. is located in an area that is not divided into census tracts on the U. S. Census Bureau's census tract outline maps (see item 3 below); or

   b. is located in a county with a population of 30,000 or less.

   To determine population, use the Census Bureau's PC80-1-A population series even if the population has increased above 30,000 since 1980.

3. *Census tract maps*. To determine census tract numbers, consult the U. S. Census Bureau's census tract outline maps. You may use the maps of the appropriate MSAs/PMSAs in the Census Bureau's PHC80-2 series for the 1980 census, or use equivalent census data from the Census Bureau (such as GBF/DIME files) or from a private publisher. Use the maps in the 1980 series even if more current maps are available.

4. *Compilation*. Enter the data for all loans made in a given census tract on the same line, listing the number and total dollar amount in the appropriate columns (as described blow in section H) and listing the census tracts in numerical sequence. Do the same for loans made in a given county.

5. *Duplicate census tract numbers.* If you have a home or branch office in the New York, NY PMSA, note that there are duplicate census tract numbers in New York City. When reporting, you must indicate the county (by name or number) in addition to the tract number for these census tracts.

6. *Outside-MSA/PMSA.* If the loans are for property that is located outside those MSAs or PMSAs in which you have a home or branch office (or outside any MSA or PMSA), report the loan data as an aggregate sum in Section 2 of the form. You do not have to itemize the loans by census tract or county. (But you will have to itemize the data by type of loan, as described in section H below.)

H. *Type-of-Loan Itemization (breakdown of each geographic grouping into loan categories -- Columns A-E).*

Column A: FmHA and VA loans on 1-to-4 family dwellings.

1. Report in Column A loans made for the purpose of purchasing a residential dwelling for 1 to 4 families if the loan is secured by a lien and if it is insured or guaranteed by FmHA or VA.

2. At your option, you may include loans that are made for home improvement purposes but are secured by a first lien, if you normally classify first-lien loans as purchase loans.

3. Include refinancings if there is an increase in the outstanding principal aside from any increase related to closing costs or unpaid finance charges.

4. Include any nonoccupant loans in this column as well as in Column E.

5. Do not include FHA loans in Column A. At your option, you may record FHA loans on the form HMDA-2A, "Mortgage Loan Statement for Optional Disclosure of FHA Loans."

Column B: Conventional home purchase loans on 1-to-4 family dwellings.

1. Report in Column B conventional loans (all loans other than FmHA and VA loans) made for the purpose of purchasing a residential dwelling for 1 to 4 families if the loan is secured by a lien.

2. Include refinancings if there is an increase in the outstanding principal aside from any increase related to closing costs or unpaid finance charges.

3. Include any nonoccupant conventional loans in this column as well as in Column E.
4. At your option, you may include loans that are made for home improvement purposes but that are secured by a first lien, if you normally classify first-lien loans as purchase loans.

Column C: Home improvement loans on 1-to-4 family dwellings.

1. Report in Column C only loans that:

   a. the borrowers have said are to be used for repairing, rehabilitating, or remodeling residential dwellings, and

   b. are recorded on your books as home improvement loans.

2. For home equity lines of credit, you may include in Column C that portion of the line of credit that the borrower indicates will be used for home improvement, at the time the account is opened. Report only for the year in which the line is established.

3. Include both secured and unsecured loans.

4. You may include unpaid finance charges in the "total dollar amount" if that is how you record such loans on your books.

5. Include any nonoccupant home improvement loans in this column as well as in Column E.

6. Do not report FHA loans in Column C. At your option, you may report FHA loans on form HMDA-2A, "Mortgage Loan Statement for Optional Disclosure of FHA Loans."

Column D: Loans on multifamily dwellings (5 or more families).

1. Report in Column D all loans on dwellings for 5 or more families, including both loans for home purchase and loans for home improvement.

2. Do not report loans on individual condominium or cooperative units; report such loans in Columns A, B, or C.

3. Do not report FHA loans in Column D. At your option, you may report FHA loans on form HMDA-2A, "Mortgage Loan Statement for Optional Disclosure of FHA Loans."

Column E: Nonoccupant loans on 1-to-4 family dwellings.

1. Report in Column E any home purchase and home improvement loans on 1-to-4 family dwellings (listed in Columns A, B, and C) that were made to borrowers who indicated at the time

of the loan application that they did not intend to use the property as a principal dwelling.

2. In completing Column E of Part B, you may assume that a purchased loan does not fall within this "nonoccupant" category unless your documents contain information to the contrary.

3. Do not complete Column E for loans that you report under Section 2 (Loans on property not located in MSAs/PMSAs where institution has home or branch offices), in either Part A (Originations) or Part B (Purchases).

OMB No. 7100-0090 Approval expires June 1990.
This report is required by law (12 USC 2801-2810 and 12 CFR 203).

MORTGAGE LOAN DISCLOSURE STATEMENT, FORM HMDA-2

FOR USE BY:
- MORTGAGE BANKING SUBSIDIARIES OF HOLDING COMPANIES
- CERTAIN SAVINGS AND LOAN SERVICE CORPORATIONS

Control number (agency use only)

Part A—Originations Report for loans made in 19___

Reporting Institution	Enforcement agency for reporting institution	
Name	Name	MSA/PMSA number for data reported in Section 1 ______
Address	Address	Name of MSA/PMSA
Name of Parent Company		

Section 1—Loans on property located in MSA/PMSA where institution has a home or branch office

CENSUS TRACT (in numerical sequence) or COUNTY (name or number)	Loans on 1-to-4 Family Dwellings						Loans on Multifamily Dwellings for 5 or More Families (home purchases and home improvement)		Nonoccupant Loans on 1-to-4 Family Dwellings from columns A, B and C	
	Home Purchase Loans				Home Improvement Loans					
	FmHA and VA A		Conventional B		C		D		E	
	No. of Loans	Total Dollar Amount (thousands)	No. of Loans	Total Dollar Amount (thousands)	No. of Loans	Total Dollar Amount (thousands)	No. of Loans	Total Dollar Amount (thousands)	No. of Loans	Total Dollar Amount (thousands)
MSA/PMSA TOTAL ______										

Section 2—Loans on property not located in MSAs/PMSAs where institution has home or branch offices

I hereby certify to the accuracy of this report.

Signature of Certifying Officer	Print Name of Person Completing Form	Telephone Number (include Area Code and Extension)

MORTGAGE LOAN DISCLOSURE STATEMENT, FORM HMDA-2

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• CERTAIN SAVINGS AND LOAN SERVICE CORPORATIONS

Control number (agency use only)

Part B—Purchases Report for loans made in 19___

Reporting institution

Name

Address

Name of Parent Company

Enforcement agency for reporting institution

Name

Address

MSA/PMSA number for data reported in Section 1 ______

Name

Section 1—Loans on property located in MSA/PMSA where institution has a home or branch office

CENSUS TRACT (in numerical sequence) or COUNTY (name or number)	Loans on 1-to-4 Family Dwellings						Loans on Multifamily Dwellings for 5 or More Families (home purchases and home improvement)		Nonoccupant Loans on 1-to-4 Family Dwellings from columns A, B and C	
	Home Purchase Loans				Home Improvement Loans					
	FmHA and VA A		Conventional B		C		D		E	
	No. of Loans	Total Dollar Amount (thousands)	No. of Loans	Total Dollar Amount (thousands)	No. of Loans	Total Dollar Amount (thousands)	No. of Loans	Total Dollar Amount (thousands)	No. of Loans	Total Dollar Amount (thousands)
MSA/PMSA TOTAL										

Section 2—Loans on property not located in MSAs/PMSAs where institution has home or branch offices

I hereby certify to the accuracy of this report.

Signature of Certifying Officer

Print Name of Person Completing Form

Telephone Number (include Area Code and Extension)

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APPENDIX B -- FEDERAL SUPERVISORY AGENCIES

The following list indicates which federal agency is responsible for enforcing compliance by each class of covered institutions. Questions should be directed, and copies of your disclosure statements should be sent, to the office specified below. You may also obtain posters from these agencies that you can use to inform the public of the availability of your disclosure statement.

National Banks

Comptroller of the Currency regional office serving the district in which the national bank is located.

State Member Banks and Mortgage Banking Subsidiaries of Bank Holding Companies

Federal Reserve Bank serving the district in which the state member bank or mortgage banking subsidiary is located.

Nonmember Insured Banks (except for Federal Savings Banks)

Federal Deposit Insurance Corporation Regional Director for the region in which the bank is located.

Savings Institutions Insured by FSLIC, Mortgage Banking Subsidiaries of Savings and Loan Holding Companies, Savings and Loan Service Corporations, and Members of the FHLB System (except for State Savings Banks insured by FDIC)

Federal Home Loan Bank Board Supervisory Agent in the district in which the institution is located.

Credit Unions

Office of Examination and Insurance
National Credit Union Administration
1776 G Street, N.W.
Washington, D.C. 20456

Other Financial Institutions

Federal Deposit Insurance Corporation Regional Director for the region in which the institution is located.

* * * * *

By order of the Board of Governors of the Federal Reserve System, August 11, 1988.

(signed) William W. Wiles
William W. Wiles
Secretary of the Board