HOME MORTGAGE DISCLOSURE ACT (REGULATION C)

DEFINITIONS

Definitions (Section 203.2)

Application
(1) In general, an application means an oral or written request for a home purchase loan, a home improvement loan, or a refinancing that is made in accordance with procedures used by a financial institution for the type of credit requested.
(2) Preapproval programs - A request for preapproval for a home purchase loan is an application under paragraph (1) if the request is reviewed under a program in which the financial institution, after a comprehensive analysis of the creditworthiness of the applicant, issues a written commitment to the applicant valid for a designated period of time to extend a home purchase loan up to a specified amount. The written commitment may not be subject to conditions other than:

(i) Conditions that require the identification of a suitable property;
(ii) Conditions that require that no material change has occurred in the applicant's financial condition or creditworthiness prior to closing; and
(iii) Limited conditions that are not related to the financial condition or creditworthiness of the applicant that the lender ordinarily attaches to a traditional home mortgage application (such as certification of a clear termite inspection).

Branch office
(1) Any office of a bank, savings association, or credit union that is approved as a branch by a federal or state supervisory agency,[1] but excludes free-standing electronic terminals such as automated teller machines; and
(2) Any office of a for-profit mortgage-lending institution (other than a bank, savings association, or credit union) that takes applications from the public for home purchase loans, home improvement loans, or refinancing.

Dwelling
Residential structure (whether or not attached to real property) located in a state of the United States of America, the District of Columbia, or the Commonwealth of Puerto Rico. The term includes an individual condominium unit, cooperative unit, or mobile or manufactured home.

Financial institution
(1) A bank, savings association, or credit union that:
(i) On the preceding December 31 had assets in excess of the asset threshold

[1] There is no law or regulation that requires NCUA approve credit union branch offices established within the United States, and NCUA does not issue such approvals. Accordingly, a domestic credit union branch office may qualify as a HMDA branch office without approval by a federal or state regulatory agency.

established and published annually by the Board for coverage by the act, based on the year-to-year change in the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers, not seasonally adjusted, for each twelve month period ending in November, with rounding to the nearest million;
(ii) On the preceding December 31, had a home or branch office in a metropolitan area;
(iii) In the preceding calendar year, originated at least one home purchase loan (excluding temporary financing such as a construction loan) or refinancing of a home purchase loan, secured by a first lien on a one- to four- family dwelling, and
(iv) Meets one or more of the following three criteria:

(A) The institution is federally insured or regulated;
(B) The mortgage loan referred to in paragraph (iii) of this section was insured, guaranteed, or supplemented by a federal agency; or
(C) The mortgage loan referred to in paragraph (iii) of this section was intended by the institution for sale to Fannie Mae or Freddie Mac.

[NOTE: The definition of "financial institutions" also includes other provisions covering types of institutions that are not credit unions, and these provisions are not repeated here.]

Home-equity line of credit
Open-end credit plan secured by a dwelling as defined in Regulation Z (Truth in Lending), 12 CFR 226.

Home improvement loan
(1) A loan secured by a lien on a dwelling that is for the purpose, in whole or in part, of repairing, rehabilitating, remodeling, or improving a dwelling or the real property on which it is located; and
(2) A non-dwelling secured loan that is for the purpose, in whole or in part, of repairing, rehabilitating, remodeling, or improving a dwelling or the real property on which it is located, and that is classified by the financial institution as a home improvement loan.

Home purchase loan
A loan secured by and made for the purpose of purchasing a dwelling.

Manufactured home
Any residential structure as defined under regulations of the Department of Housing and Urban Development establishing manufactured home construction and safety standards (24 CFR 3280.2).

Metropolitan area
A metropolitan area as defined by the U.S. Office of Management and Budget.

Refinancing
A new obligation that satisfies and replaces an existing obligation by the same borrower, in which:

(1) For coverage purposes, the existing obligation is a home purchase loan (as determined by the lender, for example, by reference to available documents; or as stated by the applicant), and both the existing obligation and the new obligation are secured by first liens on dwellings; and
(2) For reporting purposes, both the existing obligation and the new obligation are secured by liens on dwellings.

Additional Information

For more information and clarification regarding definitions of terms used see the publication: *A Guide to HMDA Reporting: Getting it Right!* It is available from the NCUA publications office and can be downloaded from the NCUA web site at http://www.ncua.gov .