

REGULATORY ALERT

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

DATE: March 2006 **NO.:** 06-RA-03

TO: Federally Insured Credit Unions

SUBJECT: 2006 data for compliance with the Home Mortgage Disclosure Act (HMDA)

ENCL: Frequently asked questions (FAQs) about HMDA

Dear Board of Directors:

Credit unions that engage in residential mortgage lending must comply with Regulation C, the Home Mortgage Disclosure Act (HMDA).

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

- the 2006 reporting threshold for HMDA;
- the deadline for reporting 2006 HMDA information; and
- the enclosed FAQs about HMDA compliance.

2006 Reporting Threshold: Which credit unions are required to file for 2006?

The Board of Governors of the Federal Reserve System (FRB) announced the exemption threshold for depository institutions required to report data under HMDA increases to \$35 million in assets effective January 1, 2006.

The FRB annually adjusts the asset-size exemption threshold for depository institutions based on annual percentage changes in the consumer price index. A copy of the information is available on the FRB website at:

<http://www.federalreserve.gov/BoardDocs/Press/bcreg/2005/20051216/default.htm>.

The following questions should be answered to determine if your credit union is required to collect HMDA data for the 2006 calendar year:

1. Did total assets exceed \$35 million as of December 31, 2005?
2. Did the credit union have a home or branch office in a metropolitan statistical area (MSA) on December 31, 2005?

3. During 2005, did the credit union originate at least one home purchase loan or refinancing of a home purchase loan secured by a first lien on a one-to-four-family dwelling?

If the answer to all three questions is 'YES,' then HMDA data must be collected throughout the 2006 calendar year and reported no later than March 1, 2007. If the answer to any one of the questions is 'NO,' then the credit union is exempt from filing HMDA data for 2006.

Submission Deadline: When must 2006 HMDA data be reported?

Following the end of a calendar year, a credit union must submit its loan application register (LAR) to the Federal Reserve Board processing center no later than March 1st using the following email address: hmdasub@frb.gov.

For 2006 HMDA data, all LARs must be submitted and received by the FRB no later than March 1, 2007. Early submission by mid-February is strongly recommended. If a data file does not load successfully, it will not be marked as received by the FRB. NCUA may choose to access civil money penalties against delinquent or incomplete filers.

Questions: Are there other issues with respect to HMDA to be aware of?

NCUA has prepared the enclosed list of questions and answers (FAQs) to clarify when, what, and how credit unions should report HMDA data. The FAQs address:

- Broker transactions,
- Credit union service organizations;
- data entry and submission;
- disclosure statements; and
- reference material and software.

Synopsis

Credit unions required to comply with HMDA reporting requirements should carefully review Regulation C, the *Guide to HMDA Reporting, Getting It Right!*, and the enclosed FAQs. Credit unions required to collect and file 2006 calendar year data must submit HMDA data to the FRB no later than March 1, 2007.

Sincerely,

/s/

JoAnn Johnson
Chairman