



# CRA/HMDA REPORTER

NOVEMBER 2006

## CRA/HMDA Aggregate and Disclosure Distribution Changes

The collection of calendar year (CY) 2005 Community Reinvestment Act (CRA), Home Mortgage Disclosure Act (HMDA), and Private Mortgage Insurance Companies of America (PMIC) data is complete. The 2005 CRA, HMDA and PMIC aggregate report tables and individual lender disclosure statements are now only available from the Federal Financial Institutions Examination Council (FFIEC) via

institutions. Disclosure statements for each reporting institution and aggregate disclosure reports for each MSA/MD and non-MSA/MD prepared from the 2005 CRA data are only available on the web at [www.ffiec.gov/cra](http://www.ffiec.gov/cra). Additionally, the CRA flat files that were formerly available on the CD-ROM product are posted on the web so that individuals or institutions may import the CRA data into software packages for further

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the Internet at [www.ffiec.gov](http://www.ffiec.gov). The production of the aggregate tables and individual lender disclosure reports for all three reporting series on CD-ROMs was discontinued beginning with CY 2005 CRA, HMDA, and PMIC data.

On July 25, 2006, four FFIEC agencies -- the Board of Governors of the Federal Reserve System (FRS), the Federal Deposit Insurance Corporation (FDIC), the Office of the Comptroller of the Currency (OCC), and the Office of Thrift Supervision (OTS) -- announced the availability of 2005 CRA data as reported by certain commercial banks and savings

analysis. The CRA flat files contain the transmittal sheet, aggregate reports, and disclosure statements, and are found at <http://www.ffiec.gov/cra/craflatfiles.htm>.

On September 8, 2006, the FFIEC member agencies -- FRS, FDIC, OCC, OTS, and National Credit Union Administration (NCUA) -- and the Department of Housing and Urban Development (HUD) announced the availability of 2005 HMDA data. Financial institution disclosure statements and MSA/MD and nationwide aggregate reports are only available on the FFIEC web site at [www.ffiec.gov/hmda](http://www.ffiec.gov/hmda). (The HMDA Loan Ap-

## Census Changes

As announced by the Office of Management and Budget on December 5, 2005, Sebastian, FL now qualifies as a new principal city of the Vero Beach, FL Metropolitan Statistical Area (MSA). Beginning with calendar year 2006 data, the title and MSA code for the Vero Beach, FL MSA **46940** revised to Sebastian-Vero Beach, FL MSA **42680**.

The MSA title and code change will be reflected on the 2007 FFIEC HMDA (version 3.30) and 2007 CRA Data Entry Software (version 3.30). Since the software will be valid for calendar years 2004-2007 data, users should run the batch edit and error report, both located on the software application's "Front Page" prior to submitting data. The batch edit feature will display the total number of LAR records with validity errors. The error report will identify all LAR records with validity errors when you choose the validity only option. Correct all validity errors identified on the error report prior to submission including all loan application records with a property location in the Sebastian-Vero Beach, FL MSA (i.e., any 2006 loans geocoded with MSA 46940 must be corrected to reflect the new MSA 42680.)

Additional information regarding the MSA code change can be found on the Statistical Programs and Standards page on the Office of Management and Budget's web site ([www.whitehouse.gov/omb](http://www.whitehouse.gov/omb)). ■

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## Type of Purchaser (TOP) Coding Issues

The type of purchaser (TOP) field on the HMDA-LAR identifies the type of secondary market entity that originated or purchased loans were sold to within the same calendar year. We have revised or expanded some of the entity types that an institution may sell these loans to; for example, private securitization (code 5), mortgage bank (code 7) and finance company (code 7). We have also included specific questions and answers about when to use these codes at the following web site (<http://www.ffiec.gov/hmda/faqreg.htm>). These FAQs are worth reading and familiarizing yourself with accurate reporting of the TOP field.

It is important that your institution be prudent in selecting the correct code for loans that are sold within the same calendar year. A reporting problem was uncovered in the 2005 data during the data quality assessment period whereby a couple institutions should have reported their sold loans using a TOP code of 5 and not 3. They did not sell directly to Freddie Mac; they sold to an institution that securitized the loans and one of the purchasers of the securitized loans was Freddie Mac, which caused the reporting institutions to think that they sold the loans to Freddie Mac. However, that was not the case and their data were corrected.

Other important reminders regarding the reporting of TOP:

- ▶ Report zero (0) in the TOP field in the following situations:
  - Loan was originated but not sold in the calendar year covered by the HMDA-LAR activity year;
  - Loan was purchased from another entity but not sold in the calendar year covered by the register; or
  - Application was denied, withdrawn, approved but not accepted by the applicant; or closed for incompleteness.
- ▶ If you sell loans to more than one purchaser, use the code for the entity purchasing the greatest interest.
- ▶ If you sell only a portion of the loan, retaining a majority interest, do not report the sale.
- ▶ If you sell originated or purchased loans at a later time in the same calendar year covered by the HMDA-LAR activity year, collect the TOP information and update the field on your HMDA-LAR to reflect the sale of the loans; also make sure that the correct TOP data are submitted in your file.
- ▶ If you sell originated or purchased loans in a succeeding year, do not report the loan sale on that year's LAR. Additionally, do not go back and update the TOP column on the LAR for the year in which the loans were originated or purchased; in this case the type of purchaser will never be reported. ■

## Easy ways to search the HMDA Guide online

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**While it is advisable to print the document in order to have a paper copy on hand, there are several useful advantages to using the electronic version of the HMDA Guide.**

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The updated 2006 version of *A Guide to HMDA Reporting: Getting it Right* is now available **exclusively** on the web (<http://www.ffiec.gov/hmda/pdf/2006guide.pdf>). While it is advisable to print the document in order to have a paper copy on hand, there are several useful advantages to using the electronic version of the *HMDA Guide*.

- The 'Bookmarks' tab on the left side of the screen provides a view of the overall organization of the document and convenient one-click access to a desired section.
- The search function (obtained by clicking the binoculars icon or right click → 'Search') allows the user to investigate a specific search criterion. This search method is effective because a search window appears and displays the total search results accompanied by the page number and subject context.
- The final search method is 'ctrl-f' which manually takes the user from one key word to the next throughout the document.

Please familiarize yourself with this material. After all, most inquiries from the public to HMDAHELP or the HMDA assistance lines are answered by analysts whose primary resource is the Guide itself. Become your own HMDA expert by learning how to effectively navigate the *HMDA Guide*! ■

## FFIEC Geocoding/Mapping System

Are you receiving an **Address Not Found** when attempting to retrieve the Metropolitan Statistical Area/Metropolitan Division (MSA/MD), State, County, and Census Tract combination from the FFIEC Geocoding/Mapping System (The System)? If so, make sure you are following the system requirements.

The System allows you to retrieve MSA/MD, State, County and Census Tract combinations for street addresses. It is primarily intended to assist financial institutions covered by the Home Mortgage Disclosure Act (HMDA) and Community Reinvestment Act (CRA) to meet their reporting obligation. The system is also helpful in obtaining census demographic information on population and income data.

To render a successful result, you must enter a street address along with a city and state OR a zip code. All four fields do not need to be completed; however, the street address must be entered and accurate. For example, if the address includes the word "street," use that word; do not enter the address using words like "avenue" or "boulevard." Also, do not include apartment numbers with the street number and address. The correct city and state OR zip code should be included for the street address. The System will not geocode P.O. Boxes or Rural Routes. Once you have entered the correct address information in the appropriate boxes, click on the 'Search' button to obtain the geocoding information.

The System may not provide property location information for all valid street addresses. While this should not occur often, it is normal because the geocode database that the FFIEC

uses to map street addresses is current only to certain dates, and street addresses added after that date will not be located. Even after a new update is received, it is possible that an address will not be included in the database and thus geocoding information will not be found. In these cases, you should use census tract maps and other tools available from the U.S. Census Bureau.

When an address is not found, use the mapping feature. The System will display an area street map based on the combination of street address and zip code, OR street address, city and state. A red triangle will mark the center of the zip code area on the map (**not the location of the property**). Click on the map and zoom in/out to locate the cross streets for the address and identify a census tract code. The mapping feature may not appear in all cases. For example, if you enter an invalid state and zip code combination or an invalid city and state combination, you will receive an **Address Not Found** with no mapping feature available.

It is critical that you follow The System requirements to prevent property location validity errors on your HMDA report. If the FFIEC Geocoding System does not provide the geographical information about the property location, there are several other tools that can be used (refer to pages 18-21 of the *Guide to HMDA Reporting: Getting it Right!*) to geocode your data. It is the institution's responsibility to exhaust all available resources to obtain valid property location information. In any case, if your institution has exhausted all your resources and questions remain, please feel free to contact [hmdahelp@frb.gov](mailto:hmdahelp@frb.gov). ■

## CRA Regulation Changes

In August of 2005, the Federal Reserve Board, the FDIC, and the OCC collectively raised the asset threshold for large institutions from \$250 million to \$1 billion (70 FR 44256). This follows a similar regulatory change implemented by the OTS in 2004. Institutions not meeting the new large institution asset threshold requirements are no longer obligated to report their annual CRA data to the Federal Reserve Board. In addition, the holding company affiliation is no longer a factor in determining whether an institution is required to submit CRA data.

Institutions that do not meet the new asset criteria of large institutions still have the option of reporting CRA data on a voluntary basis. Those institutions, who submit their CRA data to the Board by the March 1st deadline, retain the option of being examined as a large institution even if they did not meet the asset threshold of \$1 billion. However, by not reporting CRA data by the March 1st deadline, an intermediate or small institution sacrifices the option of being examined as a large institution.

For additional information on the regulation changes please visit the following web page.

<http://a257.g.akamaitech.net/7/257/2422/01jan20051800/edocket.access.gpo.gov/2005/05-15227.htm>

For additional information regarding CRA examination procedures of small, intermediate, and large institutions please go to the following web page.

<http://www.ffiec.gov/cra/examinations.htm>

For other CRA-related inquiries, please contact the CRA Assistance Line at (202)872-7584, or send an email to [crahelp@frb.gov](mailto:crahelp@frb.gov)

# HMDA Data Entry Software Version 3.30

HMDA Data Entry Software Version 3.30, for the collection and reporting of CY 2004 through CY 2007 data, is scheduled for release in December 2006. Version 3.30 will only be available by download from the FFIEC web site (<http://www.ffiec.gov/software/default.aspx>). The free software includes editing features to help you verify and analyze the accuracy of the reporting data.

The data file created using the FFIEC software must be encrypted for submission via Internet e-mail or exported onto a diskette/CD-ROM for mailing.

Version 3.30 for CY 2007 data collection contains several 2006 edit updates which are listed below. All users should download the most current version in order to reflect all updates in your 2006 HMDA submission file. Your HMDA data must be edited prior to submission using the FFIEC HMDA edits (<http://www.ffiec.gov/hmda/edits.htm>). Regulation C requires all HMDA data submissions to be free of validity errors prior to submission. You must submit a validity-free submission or your institution is at risk of noncompliance.

Beginning with calendar year 2006 data, the title and MSA code for the Vero Beach, FL MSA 46940 revised to Sebastian-Vero Beach, FL MSA 42680 (Refer to Census article in this newsletter). Run an error report and correct all loan application records with a property location in the Sebastian-Vero Beach, FL MSA (i.e., any 2006 loans geocoded with MSA 46940 must be corrected to reflect the new MSA 42680.) Utilize the Global Modify feature located under the Edit Menu on the Front Page of the software. See Help for more details.

## Deleted Edits

- V405 Replaced with Q059 (See New Edits).
- V380 Replaced with Q060 (See New Edits).

## New Edits

- Q050 Checks for valid HOEPA status code is Agency = 5 (NCUA).
- Q051 Checks for valid HOEPA status code when applicant ethnicity, race and sex = 4, 7, and 4 respectively.
- Q052 Checks for valid HOEPA status code when property type = 3.
- Q059 Checks for valid property type if loan type = 3 or 4.
- Q060 Checks for valid date application received.
- Q061 Checks for valid rate spread when Agency = 5 (NCUA), property type = 1, lien status = 1, and action taken type = 1.
- Q062 Checks for valid HOEPA status when action taken = 1, HOEPA status = 1, lien status = 1 and purchaser type = 1.
- Q063 Checks for valid HOEPA status when action taken = 1, HOEPA status = 1, lien status = 1 and type of purchaser = 3.

## END-OF-CYCLE Macro Quality Edits

- Q053 Checks that the total number of originated loans (action taken type = 1) where agency = 5 and HOEPA status = 1 is  $\leq 1\%$  of the total number of originated loans.
- Q054 Checks that the total number of purchased loans (action taken type = 6) where agency = 5 and HOEPA status = 1 is  $\leq 1\%$  of the total number of purchased loans.
- Q055 Checks that the total number of originated loans (action taken = 1) where HOEPA status = 1 and rate spread  $\geq 5\%$  and not = NA, is  $\leq 5\%$  of the total number of originated loans.

## END-OF-CYCLE Macro Quality Edits (CONT'D)

- Q056 Checks that the total number of denied conventional home purchase loans is  $\leq 70\%$  if the total number of conventional home purchase loans is  $\geq 50$ .
- Q057 Checks that the total number of denied loan applications is  $>$  zero if the total number of loan applications is  $\geq 50$ .
- Q058 Checks that the total number of preapproval requests denied is  $>$  zero if the total number of loan applications where preapproval = 1 is  $\geq 1000$ .
- Q061 Checks that the total number of originated loans (action taken type = 1) where property type = 1, lien status = 1, and rate spread  $> 5\%$  and not = NA is  $\leq 1\%$  of the total number of originated loans. **(Note: End-of-Cycle Macro Edit Q061 includes Agency 1, 2, 3, 4, 5, and 7)**
- Q062 Checks that the total number of originated loans (action taken type = 1) where HOEPA status = 1, lien status = 1 and purchaser type = 1 is  $\leq 1\%$  of the total number of originated loans.
- Q063 Checks that the total number of originated loans (action taken type = 1) where HOEPA status = 1, lien status = 1 and purchaser type = 3 is  $\leq 1\%$  of the total number of originated loans.

## Revised Edits

- Q030 Edit test modified to remove CRA asset test.
- S100 Edit test language modified to check for valid activity year.
- Q044 Edit test modified to exclude Agency 5.
- Q045 Edit test modified to exclude Agency 5.

In addition, if you utilize third-party vendor software for HMDA data collection and reporting, you should take advantage of the benefits of the

HMDA Data Entry Software by using the editing and reporting features.

Sending your submission via Internet e-mail remains the most efficient

option for submitting your HMDA data. Submit your 2006 valid encrypted HMDA data file via e-mail to [hmdasub@frb.gov](mailto:hmdasub@frb.gov) on or before March 1, 2007.

## Relieve Stress & Increase Efficiency - - Submit via Internet E-mail

Joe and Mary are siblings as well as bankers who both filed their bank's HMDA-LAR on February 26th, just shy of the March 1st due date; however, the similarities end here. You see, Joe filed his HMDA data the same way he always has--by submitting a hand-written paper copy via postal mail without using the HMDA Data Entry Software (DES). Mary, in contrast, decided she would try the recommended method of submitting her report via e-mail. This was the first year Mary decided to follow the five simple steps of submitting electronically:

- (1) Download the **free FFIEC HMDA Data Entry Software** (DES), <http://www.ffiec.gov/hmda/softinfo.htm>;

- (2) Import (or manually enter) the HMDA data into the DES;
- (3) Perform a batch edit to identify any validity errors and quality edits; (All data with validity errors must be corrected prior to submission; data with quality edits should be verified and corrected if necessary)
- (4) Export/create an encrypted file submission (hmdaencr.enc);
- (5) E-mail to [hmdasub@frb.gov](mailto:hmdasub@frb.gov)

Shortly after submitting the HMDA-LAR via e-mail, Mary receives an e-mail response confirming the receipt of her submission. Upon receiving her edit report, Mary again checks the accuracy of the data containing quality edits, signs and dates the confirmation sheet, and faxes the required documentation to HMDA Operations at the Federal Reserve

Board prior to the specified due date. It is now March 1st and Mary is leaving early for the day.

For Joe, however, life is not so easy. Delayed by additional postal security checks, his paper copy submission has not yet arrived at the FRB's HMDA Operations office. Even though his submission will be on time because it was postmarked prior to the March 1st deadline, Joe is worried that his submission has not yet arrived (unlike Mary, he receives no immediate confirmation of receipt). Furthermore, there is a possibility that he will have to correct data containing validity errors on an edit report that should be sent to him at a future date. After all, he did not run the data through any edits.

The moral of this story is that when done properly, submitting via Internet e-mail is the best way to go! Here are some of the excellent reasons why...

- 10 No calls/trips to the mail carrier to overnight the diskette/CD-ROM or paper copy reports.
- 9 No shipping/postage fees.
- 8 No sleepless nights wondering if the bank's HMDA report was lost in the mail.
- 7 No additional trips to the mail carrier to overnight resubmissions or missing diskettes/CD-ROMs.
- 6 Immediate confirmation that the submission has been received.
- 5 Quicker turn-around for edit reports/corrections.
- 4 No lost or damaged diskettes/CD-ROMs or paper copy reports.
- 3 Validity error-free data are submitted--Data must contain no validity errors before the DES software will allow the encrypted ENC file to be created and sent via Internet e-mail.
- 2 Everybody's doing it! (Over 95% of reporters submitted via Internet e-mail during the calendar year 2005 data processing season)

And the **Number ONE** reason for submitting via Internet e-mail is...

- 1 E-mails are the most efficient method—the encrypted ENC file is received via e-mail, reviewed and usually loaded within the same day.

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plication Register (LAR) & Transmittal Sheet (TS) raw data product, however, continues to be available on CD-ROM. For availability of this product and to order it from the FFIEC, refer to [www.ffiec.gov/hmda/orderform.htm](http://www.ffiec.gov/hmda/orderform.htm))).

Financial institutions are required to make their disclosure statements available at their home offices; and, for other MSAs in which they have offices, to either make a copy of the

statement available at one branch per MSA or provide a copy upon written request.

The FFIEC also provides PMIC data collected from the nation's eight private mortgage insurance companies. The PMIC data include information on applications for mortgage insurance. The 2005 PMIC disclosure statements and MSA/MD and nationwide aggregate reports are only available on the FFIEC web site

at [www.ffiec.gov/reports.htm](http://www.ffiec.gov/reports.htm) (The PMIC LAR and TS raw data product is available on CD-ROM; for product availability and ordering instructions, refer to [www.ffiec.gov/hmda/orderform.htm](http://www.ffiec.gov/hmda/orderform.htm)).

If you have any questions about an aggregate or disclosure report, please e-mail us at [hmdahelp@frb.gov](mailto:hmdahelp@frb.gov). ■

## BULLETINBOARD

# FFIEC Reporting RESOURCES

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

### CRA

CRA Aggregate Reports

CRA Disclosure Reports

Interagency Questions & Answers

FFIEC CRA Data Entry Software

FFIEC Geocoding System

How to File

Where to Submit

### HMDA

HMDA Aggregate and  
Disclosure Reports

Frequently Asked Questions (FAQs)

FFIEC HMDA Data Entry Software

FFIEC Geocoding System

FFIEC Rate Spread Calculator

How to File

Where to Submit

### NEED ASSISTANCE?

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

#### CRA

<http://www.ffiec.gov/cra>  
[crahelp@frb.gov](mailto:crahelp@frb.gov)  
(202) 872-7584

#### HMDA

<http://www.ffiec.gov/hmda>  
[hmdahelp@frb.gov](mailto:hmdahelp@frb.gov)  
(202) 452-2016

### ALERT:

#### Revised 2005 HMDA Disclosure Statement Deadline

2005 HMDA resubmissions warranting a revised disclosure statement will be accepted up to February 27, 2007. We strongly recommend that institutions e-mail their HMDA resubmissions to [hmdasub@frb.gov](mailto:hmdasub@frb.gov) for expedited processing. Institutions will receive a 2005 Edit Report for their review and confirmation. A revised copy of the disclosure statement will be provided to the institution. Resubmissions of 2005 data received after this date will be processed but a revised disclosure statement will not be available.

## Mergers and Acquisitions: How and when to report HMDA data

If your institution was involved in a structure change: i.e., a merger or acquisition, there is a good chance that change may affect how and when your institution should report their HMDA data. In any case, you should contact [hmdahelp@frb.gov](mailto:hmdahelp@frb.gov) and inform them of the change, and how you will submit your HMDA data for the year of the merger and subsequent years. Below are five examples of situations that may occur.

- ▶ Two institutions merge, producing a successor institution whose assets exceed the asset threshold for coverage. Both were previously exempt because of asset size. The successor institution's first HMDA data collection will be for the calendar year following the year of the merger. No data collection is required for the year of the merger.
- ▶ Two institutions merge, one covered and one exempt. The covered institution is the surviving institution. For the year of the merger, data collection for loan applications, originations, and purchases is required for the covered institution's transactions and is optional for transactions handled in offices of the previously exempt institution.
- ▶ Two institutions merge, one covered and one exempt. The exempt institution is the surviving institution, or a new institution is formed. Data collection for loan applications, originations, and purchases is required for transactions of the covered institution that take place prior to the merger. Data collection is optional for transactions taking place after the merger date.
- ▶ Two covered institutions merge. The surviving or resulting institution must report complete data for the year in which the merger occurred; the institution has the option of filing a consolidated report or separate reports for that year.
  - If the institutions reported to different agencies before the merger, the reports for the year in which they merged and all subsequent reports must be submitted to the agency designated by the supervisory agency of the surviving or resulting institution to receive that institution's data.

If the surviving covered institution is regulated by an agency different from the agency regulating the covered non-survivor, and the surviving institution chooses to file separate reports, the surviving covered institution files their report using their specific respondent ID number and agency code. However, the surviving institution uses an altered RID number along with the survivor's agency code when filing the non-survivor's report. The non-survivor's old RID number is altered by replacing the leading three zeros with "99-". This identifies that the data is from a non-survivor filing separately.

- ▶ In the situation where neither a merger with nor an acquisition of an institution, nor an acquisition of a branch, is involved, and the covered institution purchases HMDA-related loans in bulk from another entity (for example, from a failing institution), the purchasing institution must report those loans as "purchased loans."

This list of situations is not all inclusive; if your institution has a specific example and would like guidance, please feel free to contact [hmdahelp@frb.gov](mailto:hmdahelp@frb.gov). ■

## CRA Data Entry Software

The next scheduled release of the FFIEC CRA Data Entry Software, Version 3.30, will be available for download from the FFIEC CRA web site in Fall 2006. The software is free and can be utilized for editing, reporting, and submission purposes.

Additionally, several software features may be useful in the process of collecting and reporting CRA data. These include data quality checks, analysis reports, and optional loan categories that institutions may use in collecting data for consideration in a CRA exam.

Version 3.30 will also include an enhancement to the Batch MSA/MD Change feature in the Edit function. This feature will enable users to update an MSA/MD code for multiple loan application registers (LARs) in a single screen. With the older versions of the software, users had to manually update the MSA/MD code on every applicable LAR, a potentially time-consuming effort. However, with this enhanced feature, users would use a four-step process to revise or update an MSA/MD code across multiple LARs:

1. From the Edit menu on the CRA Front Page, click on Batch MSA/MD Change
2. Check the box next to "Change Specific MSA/MD?"
3. Input both the old and new MSA/MD codes in the appropriate boxes
4. Click Begin

The software will then replace the old code with the new one in all of the applicable LARs. For example, if a user has small business and small farm LARs in their data entry software system that are geocoded with the old MSA/MD code for Vero Beach, FL (46940), they can use this enhanced feature to revise their LARs to reflect the new MSA/MD code for Sebastian-Vero Beach, FL (42680). [This code change was announced by the Office of Management and Budget on December 5, 2005]. ■

# Resubmitting HMDA Data Guidelines

An institution is expected to submit valid and accurate HMDA data that have been checked using edits approved for the particular calendar year. Effective January 1, 2006, a processing procedural guideline was changed with regards to complete resubmissions. If an institution is to resubmit its data, it should send a complete resubmission; it should not send partial resubmissions. A couple exceptions to the rule are:

## LAR count is greater than 350,000 records

Institutions that submit HMDA-LAR containing more than 350,000 records may request a maximum of 10 manual corrections via fax, e-mail, or telephone, per submission. If a subsequent edit report from a file requires more than 10 corrections, the institution should send a complete resubmission.

## Paper submission with 25 or fewer LAR records

A HMDA-LAR submitted on paper is accepted from institutions reporting 25 or fewer loan records. If 10 or fewer errors are found in the edit report of a paper submission, the institution may request manual changes via fax, e-mail, or telephone. If the subsequent edit report from a paper submission contains more than 10 corrections, the institution should send a complete resubmission.

If you are resubmitting, then, after you correct your data, follow the same steps you would in creating your initial submission (batch edit, export data, transmit data, receive and resolve edit report, and sign off on the confirmation sheet).

Transmit the entire corrected file via Internet e-mail, CD-ROM, or diskette. Clearly mark your resubmission as a "Complete Resubmission of CCYY data." Also include the reason for your resubmission along with the other information asked for in the Internet e-mail, diskette, or CD-ROM file specifications (for example, institution name, respondent ID number, agency code, processing year, contact name, phone number, LAR count being transmitted).

Reasons for a resubmission include changes to: LAR count; MSA/MD; respondent name; RID number and/or agency code; loan type; property type; loan purpose; 10% or more of data, 100 or more records, etc. It is also helpful if you include whether the changes resulted from an internal audit or an exam.

If you choose the Internet e-mail option to transmit your data, send a complete resubmission to [hmdasub@frb.gov](mailto:hmdasub@frb.gov). If you choose the diskette or CD-ROM option, mail (preferably overnight) the file to:

## Federal Reserve Board

Attention: HMDA Processing, (Enter Agency OCC, FDIC, OTS, NCUA or HUD)  
20th and Constitution Avenue, NW  
MS N502  
Washington, DC 20551-0001

FRS resubmission addresses are available at [www.ffiec.gov/hmda/contactFRS.htm](http://www.ffiec.gov/hmda/contactFRS.htm).

If the resubmission is received after the databases are closed for the annual disclosure and aggregate reports generation, the resubmitted file is processed when the databases reopen (usually during late June/early July). If the resubmission covers the current activity year being processed and your disclosure statement is re-created, the disclosure statement will be re-created and mailed to you for public disclosure after the current activity year's HMDA data are released to the public (usually occurs in early September). The publicly-released versions of the disclosure statement found on the FFIEC HMDA web site cannot be updated. In addition, the HMDA Raw Data Software on CD-ROM cannot be updated. ■

## What is an Agency Code?

An agency code is a one-digit number that represents the regulatory agency that supervises your institution. The codes are as follows:

Office of the Comptroller of the Currency (OCC)	1
Federal Reserve System (FRS)	2
Federal Deposit Insurance Corporation (FDIC)	3
Office of Thrift Supervision (OTS)	4
National Credit Union Administration (NCUA)	5
Department of Housing and Urban Development (HUD)	7

## What is a Respondent Identification (RID) Number?

A RID number is a ten-digit number; the numbers for depository institutions require leading zeros to meet the length requirement. The RID number is derived from different agency identifiers. A RID number, along with the agency code, ties the number to a specific agency and institution. The identifiers for depository institutions include:

OCC	- charter number
FRS	- RSSD number
FDIC	- certificate number
OTS	- docket number
NCUA	- charter number

## The identifiers for nondepository institutions include:

FDIC, OCC and NCUA	- federal tax ID number with the hyphen
OTS	- federal tax ID number without the hyphen and with a leading zero
FRS	- RSSD number
HUD	- federal tax ID number with the hyphen

In addition to including your RID number and agency code on your transmittal sheet, input them in the subject line of your email (or on your diskette) when submitting HMDA data. If you have reported in the past, please continue to use your assigned RID unless otherwise instructed by HMDA Operations staff. If a merger or acquisition occurred recently and you are unsure about the RID number and agency code to use, e-mail [hmdahelp@frb.gov](mailto:hmdahelp@frb.gov) with details. ■



# Phases of Editing

## Micro, Macro, End-of-Cycle, Data Quality Assessment

Each year, prior to the public release of HMDA data, a series of edits are performed to ensure data quality, integrity and accuracy of reporting. Your data are run against the HMDA edits several times from January 1 (if you submit your data that early) and mid- to late May.

**Micro Editing** -- A full description of the edits including the edit test and error explanation is available in the HMDA edit document, <http://www.ffiec.gov/hmda/edits.htm>. The document contains numerous transmittal sheet and loan/application record "micro" edits. These edits are included in the FFIEC Data Entry Software (DES), <http://www.ffiec.gov/hmda/softinfo.htm>, as well as in the FFIEC mainframe database editing program. Thus, your data goes through the same edits when it is loaded to the FFIEC mainframe database. Following the processing, an edit report is faxed to you for review and resolution.

By adding these edits to the FFIEC DES, it provides you with a way to easily check your HMDA-LAR using edits approved for the particular calendar year and meet the FFIEC's expectations of your institution submitting valid and accurate data. The batch edit function on the software allows you to review and correct your data prior to submission. (Data with validity errors must be corrected; data with warnings -- quality edits -- should be reviewed and corrected, if necessary).

Another advantage to using the DES batch edit function is that when the edit report is faxed to you after your data have been loaded to the FFIEC database, the only edits that should appear on the edit report are quality edits that you already reviewed

and resolved as needed. The data with validity edits should have been corrected. Therefore your review of the edit report documents, and the completion and faxing back of the necessary documents and confirmation sheet can generally be completed the same day that the edit report was faxed.

**Macro and End-of-Cycle Editing** -- The edit document includes macro quality edits and end-of-cycle quality edits, which are considered the second and third phases. An institution's entire LAR file must be received before these macro edits can be performed because we compare current and previous years' totals and percentages, or current year's total LARs against the number of loans where a particular action was taken, type reported, or purpose reported. For example, a few areas we check are:

- Current year's number and percentage of loans sold to the secondary market in comparison with previous year sales;
- Income and loan amounts for patterns of possible incorrect reporting; and
- Number or percentage of denials reported based on the total LARs reported.

The results of the macro editing and end-of-cycle reports are analyzed to determine the institutions that should be contacted based on other factors such as institution size, institution location, how large the tolerances are, etc. These two editing phases are usually performed in late March through April. Institutions are contacted by HMDA processing staff via faxes, e-mails, and telephone. If the data are valid, a brief explanation is requested. If the data are incor-

rect, the records should be corrected and a complete resubmission should be sent within a few business days. Although the timeframe to respond to these edits is short, it is reasonable because institutions are expected to know their data with respect to all HMDA edits.

**Data Quality Assessment Editing** -- The fourth and final phase of editing occurs over the first three weeks in May during the data quality assessment period. Other agency economists, researchers, and analysts generate reports and complete comparisons of current to previous years' data. Loans sold to the secondary market, pricing data, HOEPA and lien status information are among some of the areas that are checked again. If institutions are to be contacted, they will be called; immediate attention and resolution is requested. If a corrected resubmission is necessary, the resubmission should be sent in 1-2 business days.

These four phases of editing continue to be necessary. For the past several years we have identified a small number of institutions in the fourth editing phase whose data was incorrectly reported. The edit document changes a bit every year. Familiarize yourself with the edit tests and error explanations of the micro, macro, and end-of-cycle edits. Check your HMDA data against the edits approved for the particular calendar year to ensure that you are submitting valid and accurate data.

We hope this article provides insight to the complete HMDA editing process, and in case HMDA staff contact your institution in April or May requesting a "quick" data review and response, you will be able to respond quickly. ■