



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

DIVISION OF
INFORMATION TECHNOLOGY

Correspondence Date: January 29, 2003

Dear Sir or Madam:

This letter supplements *A Guide to HMDA Reporting: Getting It Right!* In 2002 the Board announced major changes to Regulation C (including its appendices), the Staff Commentary, and the HMDA file specifications and edits. For those changes that took effect on January 1, 2003, this letter supplements the 1998 Guide, which should be used for guidance on collection and reporting of calendar year 2003 HMDA data due March 1, 2004. Most of the changes made in 2002, however, do not take effect until January 1, 2004. An updated version of the Guide will reflect those changes.

This notice serves as a reminder of previously announced information that relates to data collection for 2003:

Exemption threshold: There was no change for 2003 data collection in the depository institution exemption threshold of \$32 million or less of assets as of 12/31/2002. Nondepository institutions are exempt from 2003 data collection if they have assets (when combined with the assets of any parent corporation) of \$10 million or less as of 12/31/2002 and originated fewer than 100 home purchase loans (including refinancings) in 2002.

Telephone Applications: The Board adopted and made effective January 1, 2003, a new rule requiring lenders to ask applicants their race, national origin, and sex in applications taken entirely by telephone. (The revised ethnicity and race categories adopted in 2002 do not take effect until January 1, 2004.) In telephone applications, the information in the collection form in Appendix B regarding race, national origin, and sex must be stated orally, except for information that pertains uniquely to applications taken in writing. The complete text of the rule may be found in Regulation C at Appendix A, V.D.2. Unlike the case of a face-to-face application, a lender should not identify the race, national origin, or sex of a caller who declines to provide that information. But if an application begun by telephone is continued in person, a lender should identify race, national origin, or sex by visual observation or surname if the applicant has declined to provide the information.

Census Tracts: The requirement to use 2000 census data rather than 1990 census data became effective January 1, 2003. The change is implemented by an interim amendment to the provisions in Regulation C, Appendix A concerning census data. Institutions are to continue using 1990 census tract and demographic information when they report 2002 data due March 1, 2003.

Any questions or requests for additional information should be directed to:

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