



CRAHMDA REPORTER

December 2010

Changes Coming to HMDA Edit Reports in 2010

Beginning with reporting of calendar year (CY) 2010 data, there will be significant changes to the content and appearance of the HMDA Edit Report. These changes were made to provide a more user-friendly document for HMDA reporters to use when responding to edits. Discussed below are the significant changes you can expect to see in HMDA Edit Reports for CY 2010.

First, the default method for an institution to receive their edit report will be e-mail, instead of the traditional fax. Following the successful posting of an institution's CY 2010 HMDA data to the FFIEC HMDA database, reporting institutions will receive an e-mail from HMDAHELP@frb.gov with the edit report attached as a .pdf document. Each institution's edit report will be e-mailed to the address listed on the transmittal sheet. Therefore, institutions will need to ensure that the correct e-mail address is listed in the transmittal sheet of its submission. Institutions may send their HMDA Edit Report response to the HMDA Operations staff either by faxing it to 202-452-6497 or by e-mailing it as a scanned .pdf attachment to HMDAHELP@frb.gov.

The second significant change to the edit report will be a far more detailed cover letter. Going forward, the cover letter will provide more detailed information as well as step-by-step instructions for institutions to pro-

cess the edits. The content and instructions included in the cover letter will be tailored for each institution depending on the data received from the institution. For example, if an institution submits HMDA data containing syntactical edits, the cover letter will include a section instructing the institution on how to review and correct the edits, and send a complete resubmission. If an institution's data submission does not include any syntactical edits, then the cover letter to that institution will not discuss this topic. Institutions are strongly urged to pay particular attention to the first section of the edit report for successful completion of the HMDA data collection process.

The third significant change to the edit report is the addition of a new section near the end of the report, entitled Macro Quality Edit Report. This section will appear after the Summary Statistics page and before the Institution Register Summary (IRS). The Macro Quality Edit Report contains edits based on a macro examination of an institution's data submission. Macro quality edits are not new for 2010; previously, they were included in the HMDA edits document, located at www.ffiec.gov/hmda/edits.htm. (The macro editing process is a second layer of editing that typically began in late March.) CY 2010 marks the first year that the macro quality edits will be generated and displayed in an institution's initial edit report. If, after reviewing each

NEED ASSISTANCE?

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

CRA

www.ffiec.gov/cra
CRAHELP@frb.gov
(202) 872-7584

HMDA

www.ffiec.gov/hmda
HMDAHELP@frb.gov
(202) 452-2016

macro quality edit, an institution determines that the reported data are correct, the institution **MUST** provide, in the space below each macro edit, a detailed explanation as to why the data are correct. The data ratios that trigger any macro quality edit will also be listed with each macro edit. Review the Macro Quality Edits section of the CY 2010 HMDA edits document (available at www.ffiec.gov/hmda/edits.htm) for a complete list of all the macro quality edits.

In addition to the three developments discussed above, expect to see formatting and text changes in the CY 2010 HMDA Edit Report. Reports will be e-mailed or faxed following receipt of each institution's 2010 HMDA data (and possibly 2009 HMDA data resubmissions) after January 1, 2011.

Summary of 2010 HMDA Edit Changes

Revisions, additions, and deletions have been made to the 2010 HMDA edits for various reasons, including the rewriting of the 2010 HMDA data processing system, an amendment to Regulation C revising the rules for reporting price information on higher-priced mortgages (www.ffiec.gov/hmda/pdf/transitionrules2.pdf), and to aid in data accuracy and quality. Key changes are highlighted below. For a complete list of changes to the 2010 HMDA edits, please view the 2010 HMDA edits document, available at www.ffiec.gov/hmda/pdf/edit2010.pdf.

REVISED EDITS

Transmittal

S040: Edit test modified to check for unique Application/Loan Number.

Each Application/Loan Number listed on the Loan Application Register (LAR) must be unique. Identical Application/Loan Numbers trigger syntactical error S040, indicating an instance where the institution assigned the same loan number more than once. The data associated with the first occurrence of the loan number will post to the FFIEC HMDA database. Subsequent occurrences of the same loan number will not post to the database and will be identified with syntactical edit S040.

Macro Quality Edit

Q029: Edit test modified to exclude the depository panel verification.

This edit was changed to ensure that all institutions, both depository and non-depository, verify that complete property location information (i.e., MSA/MD, State, County, and Census Tract) is recorded accurately on the HMDA LAR.

NEW EDITS

Transmittal

Q012: The reported Tax ID number on the transmittal sheet of your HMDA data file does not match the Tax ID number reported in the previous calendar year submission.

This edit identifies instances where the Tax ID may have been misreported due to mergers, acquisitions, or when numbers are inadvertently transposed. Tax IDs, like respondent IDs, assist in the identification and tracking the institution's HMDA records.

Loan Application Register

Q067: If applicant ethnicity, race, and sex = 4, 7, and 4, respectively, and co-applicant ethnicity, race, and sex = 4, 7, and 4, or 5, 8, and 5, respectively, then applicant income should = NA.

This edit checks if applicant and co-applicant information is equal to NA, then income should be equal to NA. If no applicant information exists, then it is likely the borrower is not a natural person (i.e., a business entity, trust fund, or non-profit) and, therefore, income should equal NA, according to Regulation C.

Macro Quality Edit

Q070, Q071, Q072, Q073, Q074, Q075, and Q076: Macro quality edits used to evaluate an institution's total number and/or amount of loans sold.

These macro quality edits assist an institution in determining whether or not they accurately reported the Type of Purchaser field on their originated or loans purchased from another institution and then sold to a secondary market entity within the same calendar year.

DELETED EDITS

Loan Application Register

V510 and V515: Rate spread edits deleted due to Regulation C amendment.

Both validity edits verified that loans with a lien status of 1 (V510) or 2 (V515) and an application date prior to October 1, 2009, had a rate spread that fell within a specific range or was equal to NA. The edits were deleted based on revising the rules for reporting price information on higher-priced loans. The rules were conformed to the definition of "higher-priced mortgage loans" adopted by the Board under Regulation Z in July of 2008 (www.ffiec.gov/hmda/pdf/transitionrules2.pdf).

Defining HMDA Property Type: Multifamily

The Loan Application Register (LAR) "Property Type" field requires lenders reporting HMDA data to identify the type of property (e.g., one-to-four family dwelling (other than manufactured housing), manufactured housing, or multifamily dwelling) being purchased, improved, or refinanced. Incorrect reporting of the "multifamily dwelling" property type often occurs due to a misunderstanding of the HMDA definition of multifamily dwelling.

For HMDA reporting, a multifamily property is a residential structure that houses five or more families. Even though apartment and condominium buildings can house five or more families, they comprise individual ownership-deeded property and, therefore, should be reported as one-to-four family dwellings, not multifamily property. On the other hand, an apartment building that does not comprise individual ownership of each unit should be reported as a multifamily dwelling. It is a common misconception that the purchase of an entire mobile home park (e.g., the purchase of five or more individual mobile homes) should be reported as a multifamily property

type. Because each mobile home falls within the definition of an individual unit, the property type should be reported as manufactured housing.

When reporting the purchase of a mixed-use property (e.g., an apartment building that contains a convenience store), reference the guidance in Appendix D of "A Guide to HMDA Reporting" (www.ffiec.gov/hmda/pdf/2010guide.pdf). The guide states that 1) an institution may use any reasonable standard to determine the primary use of the property, such as by square footage or by income generated, and 2) an institution may select the applicable standard on a case-by-case basis. In the example of an apartment building that contains a convenience store, an institution may determine that most of the square footage is being used for residential purposes and, because the structure is an apartment building that can house five or more families, the property type on this LAR record could accurately be reported as a multifamily dwelling.

Resubmitting HMDA Data

Let's say you submitted your calendar year (CY) 2009 HMDA data on schedule by March 1, 2010. By June 1, 2010, your institution has gone through its annual audit and bank examiners found some discrepancies in your initial filing of 2009 HMDA data. They recommended you resubmit your CY 2009 HMDA data.

A few questions might come to mind as you prepare your resubmission: How do I resubmit HMDA data? What is the cutoff date for resubmitting my HMDA data? Will there be any penalties for resubmitting my HMDA data?

Institutions are expected to submit valid and accurate HMDA data that have been verified using the FFIEC HMDA edits for a particular calendar year. However, if your institution's initial HMDA submission contained errors, you can correct the HMDA file and send a complete, error-free resubmission by following these instructions:

1. Open the FFIEC HMDA Data Entry Software for the applicable year of reporting.
2. Update your institution's HMDA data file with the corrections. Perform a "Batch Edit" and ensure all validity errors are corrected and quality edits are verified.
3. Submit data using the preferred export option – **Submission via Web**. Other export options are "To Regulatory Agency via Internet e-mail" (for encrypted submissions) or "To Regulatory Agency via Postal Service" (for mailing Diskette/DVD-ROMs).
4. Receive the HMDA Edit Report via e-mail from HMDAHELP@frb.gov and verify all data as correct.
5. Sign and return the HMDA Edit Report Confirmation Sheet.

Once you have opened the FFIEC HMDA Data Entry Software, it identifies whether you are making an initial or subsequent transmission. At the successful completion of the data transmission, you

will receive a "Transmission Successful" message. This message will contain pertinent submission information. When using the Submission via Web option, there is no need to identify the transmission as "initial" or "resubmission" because the HMDA data processing system will automatically recognize the status.

If your resubmission was received after mid-April and there was not enough time to complete all processing tasks to ensure that the corrected data was included in the creation of the initial disclosure reports, the data will be processed at an appropriate time and the institution's disclosure report will be recreated. The recreated disclosure report will be e-mailed directly to the institution for public disclosure. However, it WILL NOT post to the FFIEC HMDA website.

The deadline to receive and process a complete resubmission is two years following the activity year, generally during the fourth quarter (Q4). For example, CY 2008 complete resubmissions were accepted and processed into the beginning of 2010:Q4. Complete resubmissions for CY 2009 data will be accepted and processed until 2011:Q4, and complete resubmissions for CY 2010 data will be accepted and processed until 2012:Q4. The exact cut-off date for processing CYs 2009 and 2010 HMDA data will be announced in 2011 and 2012, respectively.

Compliance is enforced by the regulatory agencies. Therefore, questions about a violation of the reporting requirements and civil money penalties should be directed to your supervisory agency (Regulation C, Section 203.6).

For more details on the resubmission process, refer to the Submissions and Resubmissions section of the Frequently Asked Questions (FAQs) (available at www.ffiec.gov/Hmda/faqtech.htm#srs).

Improved HMDA Data Reporting: Action Taken and Income Fields

HMDA Operations staff has found that HMDA-reporting institutions tend to misreport data in the “Action Taken” and “Gross Annual Income” fields of the Loan Application Register (LAR), more so than in other reported data fields. These reporting errors are also often detected by a regulatory agency during an institution’s compliance exam. Often, misreporting is attributed to misunderstanding the guidance in the current edition of “A Guide to HMDA Reporting” (www.ffiec.gov/hmda/pdf/2010guide.pdf).

According to Operations staff, most errors occur when reporting one of two circumstances: 1) reporting the appropriate Action Taken code when the loan application has been identified as “a preapproval request that did not transition to a loan application,” and 2) reporting the appropriate Gross Annual Income code when a loan applicant is a company or entity and *not* a natural person.

In order to improve institutions’ ability to accurately report information in the Action Taken and Applicant Income fields, HMDA Operations staff have provided further discussion and examples of complex reporting scenarios below.

A Preapproval that Did Not Transition to a Loan Application

HMDA Operations staff discovered that institutions often misreport the Action Taken field in an LAR for loan application that is identified as “a preapproval request that did not transition to a loan application.” Often, an institution filing this type of LAR reports NA in the fields for Metropolitan Statistical Area/Metropolitan Division (MSA/MD) and Census Tract; in most cases, the State and County fields also were reported as NA. In speaking with reporting institutions, Operations staff determined that applicants seeking a request for preapproval are less likely to provide a property address. As is often the case, this particular type of preapproval is either denied by the financial institution or withdrawn by the applicant.

HMDA Operations staff also discovered that these types of LARs frequently incorrectly identify the Action Taken field as: 2 - Application approved but not accepted, 3 - Application denied by financial institution, 4 - Application withdrawn by applicant, or 5 - File closed for incompleteness. However, loan application codes 1 through 5 are reserved for formal loan applications and should never be used with requests for preapproval.

If a request for preapproval is either withdrawn by the applicant or closed by the financial institution for incompleteness proper procedure dictates that these applications should be excluded from the institution’s HMDA LAR because these preapproval requests never transitioned to formal loan applications. Furthermore, requests for preapproval that were denied by a financial institution should be

reported as 7 - Preapproval request denied by financial institution *rather than* 3 - Application denied by financial institution. Requests for preapproval that an institution approved but that were not accepted may be reported at the institution’s option; in those cases, the appropriate Action Taken code is 8 - Preapproval request approved but not accepted (optional reporting).

Misreported Action Taken codes on requests for preapproval often result in a deletion from the institution’s HMDA LAR. This was most often the case when the Action Taken had been incorrectly reported as 4 - Application withdrawn by applicant or 5 - File closed for incompleteness. Both of these Action Taken codes are reserved for loan applications *only* and should not be used for preapproval applications that did not transition to full loan applications. If the Action Taken codes remain incorrectly reported, an institution’s HMDA LAR will overstate preapproval requests and Action Taken codes exclusive to applications.

Refer to Appendix A of “A Guide to HMDA Reporting” for further information.

When the Borrower or Applicant is Not a Natural Person

HMDA Operations staff also discovered a high incidence of errors in the “Gross Annual Income” fields of LARs where the applicant was a corporation, partnership, or other entity and not a natural person. In these cases, income should be reported as NA and not as a numeric value. (See “A Guide to HMDA Reporting,” pages 15-16.)

Should this reporting error go unnoticed prior to your data submission or resubmission, these particular LARs will be flagged with the quality edit Q067. Specifically, quality edit Q067 is triggered when the reported ethnicity, race, and sex codes indicate that an applicant is not a natural person or that there is no co-applicant, but the Income field contains a numeric value. Thus, if you find that the applicant’s and co-applicant’s ethnicity, race, and sex codes are correctly reported (as 4/7/4 or 4/7/4 and 5/8/5, respectively) then the numeric Income value should be changed to NA.

In rare instances, the ethnicity, race, and sex of the applicant may need to be corrected rather than the income value. Often, the applicant income reported in those situations is high (i.e., the gross income of a company versus the personal income of an individual) and, therefore, would artificially increase the average income reported on loan applications for the calendar year being collected and reported.

The Reporting of Purchased/Repurchased Loans

Some HMDA reporting institutions may be faced with the decision to buyback (repurchase) loans from an investor because of defaults (recourse loans) or acquire loans in bulk from another failed institution.

When a loan is repurchased by the originator within the same calendar year as originated, the originator should not report it as sold, and the purchaser (that subsequently puts it back to the originator) should not report it as purchased. However, if the repurchase happens in a subsequent calendar year, all the purchases and repurchases should be reported in their respective calendar years. The following are examples of repurchased loans and how to report them:

1. Bank A originates loan 001 and sells it to Bank B in 2009. However, in 2009, Bank A buys the loan back from Bank B.

Reporting of Bank A for 2009 HMDA: Bank A would report loan 001 as an origination and, after the buy-back in the same year (2009), should make sure that the Type of Purchaser code is 0 and not codes 1 through 9. Bank A does not report the buy-back of loan 001 as a purchased loan.

Reporting of Bank B for 2009 HMDA: Bank B would not report its original purchase of loan 001 from Bank A.

2. Bank A originates loan 002 and sells it to Bank B in 2009. However, in 2010, Bank A buys the loan back from Bank B.

Reporting of Bank A for 2009 and 2010 HMDA: Bank A would report loan 002 as an origination and report the proper purchaser type code for Bank B, as it was sold to them, on their 2009 HMDA file. Bank A reports the buy-back of loan 002 as a purchased loan on 2010 HMDA file.

Reporting of Bank B for 2009 and 2010 HMDA: Bank B reports loan 002 as a loan purchase for 2009. Bank B need not report the sale of loan 002 for 2010.

When an institution purchases HMDA-related loans in bulk from a failing institution and neither a merger nor acquisition of a branch is involved, the purchasing institution must report them as purchased loans.

“A Guide to HMDA Reporting” includes specific reporting rules of some Loan/Application Register (LAR) fields when a HMDA-reporting institution purchases loans. Those fields are Date Application Received; Action Taken; Owner Occupancy; Applicant Government Monitoring Information (GMI) consisting of Ethnicity, Race, Sex, and Income; Request for Preapproval; Rate Spread; and Lien Status. Either the alpha characters NA for “not applicable” or the numeric code for NA is reported in each of the fields. For example:

- **Date Application Received:** Enter NA.
- **Action Taken:** Enter code 6 only.
- **Owner Occupancy:** Enter code 1 unless the loan documents or application indicate that the property will not be owner-occupied as a principal residence.
- **Applicant GMI:** Includes ethnicity, race, sex of applicant/co-applicant and income LAR fields. You have the option of collecting and reporting this information for purchased loans; however, because the information may not be readily available for the purchased loans you should report the appropriate codes 4/7/4 for the ethnicity/race/sex fields for the applicant and co-applicant and the alpha characters NA for the income field.
- **Request for Preapproval:** Enter code 3.
- **Rate Spread:** Enter alpha characters NA.
- **Lien Status:** Enter code 4.

The remaining LAR fields (Application or Loan Number, Loan Type, Property Type, Purpose, Action Taken Date, Property Location, Gross Annual Income, Type of Purchaser (if loan is sold to another entity in the same calendar year), and HOEPA Status) must contain the appropriate information for the purchased loans.

The Summary of Q595 Edit Report: Ensure that Your Institution's MSA/MDs are Accurate

The Summary of Q595 Edit Report lists the Metropolitan Statistical Areas/Metropolitan Divisions (MSA/MDs) where lending activity by a depository institution has occurred outside the MSA/MD office or branch locations included on the depository institution's panel listing. (This summary report is not generated against a nondepository institution's data because it is deemed to have a branch office in a metropolitan area, if, in the preceding calendar year, it received applications for, originated, or purchased five or more home purchase loans, home improvement loans, or refinancing related to property located in that metropolitan area.)

The Q595 report was designed so that a depository institution can identify all MSA/MDs in which they have a branch or home office, but are not currently included on the appropriate FFIEC HMDA panel table as such. The completion of the Summary of Q595 Edit Report affects the accuracy of the Institution Register Summary (IRS) report, which, in turn, affects the final HMDA Aggregate and Disclosure Reports. For example, if a depository institution does not list all of their MSA/MDs on their panel, the disclosure statement for that depository institution will not present an accurate picture of the institution's mortgage lending activity in its communities.

The Summary of Q595 Edit Report does not appear in all depository institutions' edit reports. If, during the reporting year, a depository institution does not lend outside the MSA/MD location(s) of home and/or branch offices included on their panel, this report will not be generated. However, when an institution receives the Q595 Summary Report, it is important to respond in an accurate and timely manner because:

1. Time is needed for the HMDA Operations processing staff to add an MSA/MD to the institution's panel and e-mail the

updated Confirmation Sheet and IRS report for approval and sign-off; and

2. An institution cannot be marked "Complete" in the tracking system indicating that the submission and processing tasks of their HMDA data are done, including a review and completion of the Summary of Q595 Edit Report. In addition, a "Complete" sign-off means that an institution has reviewed and acted on all the documents e-mailed with the edit report and fully agrees with their institution's submitted and uploaded data to the FFIEC HMDA database.

In order to ensure that MSA/MD information is reported accurately, a depository institution should follow these steps after it has circled either YES or NO for each MSA/MD listed on the Summary of Q595 Edit Report:

- If all NO responses circled – Include a completed/signed Confirmation Sheet in the response to the edit report;
- If any YES response(s) circled – Return the completed Q595 report to HMDA Operations processing staff *without* the completed/signed Confirmation Sheet. Then:
 1. The MSA/MDs circled YES will be added to the depository institution's panel and a new Confirmation Sheet and revised IRS report will be generated and e-mailed to the institution;
 2. The institution will review the IRS report making sure that all MSAs are listed for their home/branch offices; and
 3. Once the institution confirms the IRS report is accurate, the completed Confirmation Sheet may be returned to the HMDA Operations staff who will track the institution as "Complete."

2010 CRA Updates: Asset Size Thresholds, File Formats, and Geographic Changes

As announced by federal banking regulators in December 2009, the 2010 asset-size threshold for large bank CRA reporting is \$1.098 billion. Institutions that had assets below \$1.098 billion as of December 31, 2009, or December 31, 2008, are exempt from 2010 CRA data collection for submission to the Federal Reserve Board. If your institution's assets fell below the threshold, you may voluntarily submit CRA data in order to preserve the option of a large bank examination. The asset-size thresholds are adjusted annually based on the year-to-year change in the Average Consumer Price Index for Urban Wage Earners and Clerical Workers, not seasonally adjusted, for each 12-month period ending in November.

Starting in 2010, there were three changes to the CRA File Specifications that will alter the structure of the data:

1. The transaction code field has been removed from the entire data series. One character filler has been placed in the transmittal sheet only in place of the Transaction Code field.
2. The Timestamp field has been removed from the Small Business, Small Farm, Community Development, Consortium Third Party, and Assessment Area records. The Timestamp field is still included in the transmittal sheet.
3. The e-mail address field has been expanded from 45 to 66 characters.

These changes affect CRA data for 2010 only. Data resubmissions for prior years must be formatted in accordance with the File Specifications of those years. The CRA File Specification documents for years 1997-2010 are accessible from the FFIEC CRA website at www.ffiec.gov/cra/fileformats.htm.

Additionally, the following geographic changes were implemented in the 2010 FFIEC Census Data Products and the 2010 CRA and HMDA Data Entry Software Releases 2:

Three Metropolitan Statistical Area (MSA) code changes:

- Bradenton-Sarasota-Venice, FL (MSA 14600) was changed to North Port-Bradenton-Sarasota, FL (MSA 35840). The two counties in MSA 35840 are: Manatee (code 081) and Sarasota (code 115).
- Fort Walton Beach-Crestview-Destin, FL (MSA 23020) was changed to Crestview-Fort Walton Beach-Destin, FL (MSA 18880) consisting of Okaloosa County (code 091).

- Weirton-Steubenville, WV-OH (MSA 48260) was changed to Steubenville-Weirton, OH-WV (MSA 44600) consisting of Jefferson County, OH (code 081); Brooke County, WV (code 009); and Hancock County, WV (code 029).

Two new counties in Alaska were added and one county was deleted:

- Skagway-Hoonah-Angoon Census Area, AK (02-232) was deleted and split to create two new counties: Skagway Municipality, AK (02-230) and Hoonah-Angoon Census Area, AK (02-105).

Changes to 2009 HMDA Disclosure Reports

Regulation C requires HMDA-reporting institutions to collect and publicly disclose information on housing-related loans and applications, including applicant and borrower characteristics. In 2009, changes to Regulation C were implemented that affect the reporting of loan price (rate spread) information for higher-priced loans. As a result of the changes to the rate spread reporting rules, the 2009 HMDA data reflect price information reported using two different methodologies (also available at www.ffiec.gov/ratespread/default.aspx):

1. For loan applications taken prior to October 1, 2009, lenders were required to report the rate spread by comparing the annual percentage rate (APR) on the loan to the yield on a Treasury security with a comparable term to maturity.
2. For loan applications taken on or after October 1, 2009, and for loans that close on or after January 1, 2010, regardless of their application dates, lenders were required to compare the APR on the loan to a survey-based estimate of APRs currently offered on prime mortgage loans of a comparable type.

Each year, the FFIEC produces public disclosure reports from annual data submitted on a financial institution's LAR. The 2009 HMDA reports were made available on the FFIEC HMDA website (at www.ffiec.gov/hmda/online_rpts.htm) on September 20, 2010; they included National Aggregate Reports, Individual Institution Disclosure Statements, and Metropolitan Statistical Area/Metropolitan Division (MSA/MD) Aggregate Reports.

Changes were made to the 2009 HMDA disclosure statements and reports to help ensure the accuracy of the information provided to the public. The changes only affected tables that included loan

pricing information (Tables 3-2, 11-1 through 11-10, 12-2, and B). Furthermore, the tables that included loan pricing information only included loans that had application dates prior to October 1, 2009, with the exception of HOEPA loan tables, which reflected activity for the full year. Each table title identifies which applications are covered in each table.

For the 2009 national aggregate data, an additional report became available. This report is a special, consolidated .pdf file that includes all tables with loan pricing information, but these tables are limited to applications taken between October 1, 2009, and December 31, 2009, with the exception of HOEPA loan tables, which reflected activity for the full year. The new report was created to provide information on loans that were excluded from the standard national aggregate reports because of the change in the rate spread calculation starting October 1, 2009.

Another change to the national aggregate reports is narrower parameters in the columns that present the number and dollar amounts of higher-priced loans by spread amount. For applications taken prior to October 1, 2009, there were no changes from previous years in the thresholds used to portray the amount by which the loan price exceeds the reporting threshold. For applications taken on or after October 1, 2009, new spread ranges were used, providing narrower ranges for loans priced closer to the reporting thresholds. For additional details on the rate spread changes to the 2009 HMDA public disclosure reports, reference the HMDA Update Notice (available at www.ffiec.gov/hmdaadwebreport/hmda_DisUpdate2009.htm) and the National Aggregate Reports (available at www.ffiec.gov/hmda/natlAggr2009.htm).

How to Report HMDA Data for Institutions Involved in Mergers or Acquisitions of a Branch

When an institution is involved in a merger or acquires a branch, the resulting structure change affects how HMDA data is collected. Under all possible merger scenarios, if the merger results in an institution that is subject to HMDA regulations, that institution must begin data collection on January 1 of the calendar year following the merger. However, under certain circumstances, institutions may have data collection responsibilities for the calendar year during which the merger occurred. Also, a change in structure may affect how an institution submits HMDA data. Discussed below are several scenarios to illustrate how a merger or branch acquisition will affect an institution's HMDA data responsibilities.

- Two institutions are not covered by Regulation C because of asset size. The two institutions merge. No data collection is required for the year of the merger (even if the merger results in a covered institution).
- A covered institution and an exempt institution merge. 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.
- A covered institution and an exempt institution merge. 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. Data collection is required for the entire year. The surviving or resulting institution files either one consolidated submission or two separate submissions 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 a situation where neither a merger 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."
- Bank A acquires Bank B (the entire institution) and the banks continue to exist as two separate institutions. Nothing happens to Bank B's stock and, if Bank B is a covered HMDA reporter, then Bank B is responsible for reporting HMDA data. Also, if Bank A is a covered HMDA reporter, it too should file a HMDA report. If a merger occurs at some future date (i.e., Bank A merges Bank B into itself), then Bank A should reference the above merger rules.
 - If, in the above example, Bank A acquires only a *branch* of Bank B's, Bank A would be responsible for reporting the Bank B branch's current year LAR (originations, accepted but not approved, denials, etc.) because branches do not have their own reporting responsibility.

All respondents that have an institution involved in a merger or acquisition of a branch should send an e-mail to HMDAHELP@frb.gov detailing the merger, the HMDA Respondent IDs, regulatory agencies for the survivor and non-surviving institution(s), and how the filing will be handled (i.e., consolidated submissions or separate reports) for the year of the merger and subsequent years.

FFIEC Reporting RESOURCES

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

CRA

CRA Aggregate Reports
www.ffiec.gov/craadweb/aggregate.aspx

CRA Disclosure Reports
www.ffiec.gov/craadweb/DisRptMain.aspx

Interagency Questions & Answers
www.ffiec.gov/cra/qnadoc.htm

FFIEC CRA Data Entry Software
www.ffiec.gov/cra/softinfo.htm

FFIEC Geocoding System
www.ffiec.gov/Geocode/default.aspx

Submitting CRA Data
www.ffiec.gov/cra/submit.htm

HMDA

HMDA On-Line Reports
www.ffiec.gov/hmda/online_rpts.htm

Frequently Asked Questions (FAQs)
www.ffiec.gov/hmda/faq.htm

FFIEC HMDA Data Entry Software
www.ffiec.gov/hmda/softinfo.htm

FFIEC Geocoding System
www.ffiec.gov/Geocode/default.aspx

FFIEC Rate Spread Calculator
www.ffiec.gov/ratespread/default.aspx

**Mailing Addresses for
HMDA Data Submission**
www.ffiec.gov/hmda/submit.htm

What is an Agency Code?

An Agency Code is a single digit number that identifies 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 is a ten-digit number used to identify a HMDA reporting institution. (RIDs often require leading zeros to meet the length requirement. For example, if the source number is 12345, the ten-digit RID number is 0000012345.) The number, which is assigned by each supervisory/regulatory agency, is combined with the Agency Code to keep institutions separate and unique from each other. The number used by each agency for depository institutions and nondepository institutions are:

Agency	Depository Institutions	Nondepository Institutions
FDIC	FDIC certificate number	Federal tax ID number
FRS	RSSD number	RSSD number
HUD	(Has no depository institutions)	Federal tax ID number
NCUA	Charter number	Federal tax ID number
OCC	Charter number	Federal tax ID number
OTS	Docket number	Federal tax ID number

In addition to including your RID number and Agency Code on your transmittal sheet, input them in the subject line of your e-mail (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 which RID number and Agency Code to use, e-mail HMDAHELP@frb.gov with details.

ALERT: Revised 2009 HMDA Resubmission Deadline

2009 HMDA resubmissions warranting a revised disclosure statement will be accepted through December 14, 2011. We strongly recommend that institutions submit HMDA resubmissions using the **Submission via Web** option for expedited processing. Institutions will receive a 2009 HMDA Edit Report via e-mail for review and confirmation. Following confirmation, a revised copy of the disclosure statement will be provided to the institution.

HMDA Raw Data at your fingertips...for FREE

Why wait for mail? The FFIEC has embraced the power of the Internet to offer point-and-click access to HMDA data through the HMDA Loan Application Register (LAR) & Transmittal Sheet (TS) Raw Data Windows Application (www.ffiec.gov/hmda/hmdaproducts.htm#LAR_TS). Visit the website and have instant access to FREE HMDA data by either downloading the zipped raw flat files or accessing the raw data Windows application, which includes the data and a query tool. (This feature is also available for the Private Mortgage Insurance Companies (PMIC) data.) Try it today and start enjoying the Benefits of Downloading –

- Data on-demand
- Easy access
- Copy to CD-ROM
- Avoid delayed delivery
- No shipping & handling costs