



CRAHMDA REPORTER

January 2012

2011 HMDA Panel Changes Resulting from Dodd-Frank Act

On July 21, 2011, the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 became effective. As a result, the annual HMDA Panel of reporting institutions has been modified beginning with the 2011 Panel. These changes are outlined in this article.

The primary data source for the HMDA Panel continues to be the Board's [National Information Center \(NIC\)](#) structure, financial data, and data from the previous year's HMDA Panel. The NIC structure data is available to the public. HMDA reporting institutions should reference this data source to verify the structure status of their institution.

The most significant effect for selected HMDA reporting institutions are changes to the regulatory agency and Respondent ID. HMDA reporters are required to identify whether the changes affect their institution's HMDA data and to report the correct regulatory agency, Respondent ID, and parent information (if applicable for nondepository institutions) on their Transmittal Sheet.

The highlights of these changes are summarized below and are based on the chartering or licensing authority or characteristics and business activities of the entity. For Mortgage Banking Subsidiaries, the regulator is based on the parent depository institution, when applicable. All HMDA reporters are required to meet the [2011 HMDA Reporting Criteria](#) for coverage.

The Office of Thrift Supervision (OTS) was eliminated and the Consumer Financial Protection Bureau (CFPB) was created. Effective with the 2011 HMDA Panel, agency code 4 (OTS) has been deleted and agency code 9 (CFPB) has been added.

Savings associations (Thrifts) formerly regulated by the OTS have been reassigned to the Office of the Comptroller of the Currency (OCC) or the Federal Depository Insurance Corporation (FDIC).

Thrift subsidiaries formerly regulated by the OTS have been reassigned to the OCC, the Federal Reserve System (FRS), or the FDIC.

Institutions with assets greater than \$10 billion, along with their affiliates and subsidiaries, have been assigned to the CFPB.

If the entity is a National (Federal-Chartered) Thrift or a Mortgage Banking Subsidiary of a Federal-Chartered Thrift, then the OCC is now the primary federal regulator. The Respondent ID for a Thrift will be assigned 700000 + the OTS docket number. As of July 21, 2011, the ID OCC has been updated and contains the newly assigned value. The Respondent ID for a Mortgage Banking Subsidiary of a Federal-Chartered Thrift is the Federal Tax ID.

If the entity is a Mortgage Banking Subsidiary of a Savings and Loan Holding Company, then the FRS is now the primary federal regulator. The Respondent ID is the RSSD ID.

If the entity is a State-Chartered Thrift or a Mortgage Banking Subsidiary of a State-Chartered Thrift, then the FDIC will become the primary federal regulator. The Respondent ID for the Thrifts will be assigned an FDIC certificate number. The Respondent ID for a Mortgage Banking Subsidiary of a State-Chartered Thrift is the Federal Tax ID.

The CFPB is the new agency added to the HMDA Panel. Institutions with assets greater than \$10 billion, as of June 30, 2011, along with their affiliates and subsidiaries will be assigned to the CFPB. The agency code is "9". The assignment of institutions to the CFPB does not include reporters regulated by HUD, Agency Code 7. The reporting criteria for CFPB institutions are summarized below:

Depository Institutions

Include only those depository institutions that qualified to be placed on the HMDA Panel for the reporting year 2011

Establishment of Consumer Financial Protection Bureau and its Effect on 2011 HMDA Reporting

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the Dodd-Frank Act) established the Consumer Financial Protection Bureau (CFPB) to consolidate in one agency certain federal consumer financial protection authorities previously held by seven transferor agencies. The functions of the CFPB include being the agency with HMDA reporting responsibility for very large banks, thrifts, credit unions (those with more than \$10 billion in assets) and their affiliates (including affiliates that are themselves banks, thrifts, or credit unions regardless of asset size and subsidiaries of such affiliates).

According to the provisions of the Dodd-Frank Act, the OTS's functions were transferred to other agencies as of July 21, 2011. While most of its functions were transferred to the OCC, certain other authorities of the OTS transferred to the FDIC, the FRS, and the CFPB. For example, the OCC is the primary prudential regulator over all Federally Chartered Thrifts and their mortgage subsidiaries; the FDIC is the prudential regulator over all State-Chartered Thrifts and their mortgage subsidiaries; and the FRS is the prudential regulator over all Thrift Holding Company entities.

As a result of the above changes, the following revisions were made to the 2011 HMDA file specifications -- the OTS agency code "4" was removed and agency code "9" was added for the CFPB reporting institutions. The table below includes information about the respondent (RID) numbers and agency code numbers that should be used by 2011 depository and nondepository entities reporting HMDA.

Agency	Depository Institution	Nondepository Institution	Agency Code
CFPB	RSSD number	Federal Tax ID number	9
FDIC	FDIC certificate number	Federal Tax ID number (Include the hyphen and remove the leading zero in the RID for the federally chartered nondepository thrifts that transfer to FDIC)	3
FRS	RSSD number	RSSD number	2
HUD	Has no depository institutions	Federal tax ID number	7
NCUA	Charter number	Federal Tax ID number	5
OCC	Charter number	Federal Tax ID number	1
OTS (depository and nondepository institutions transferring to OCC)	(New RID formula for these federally-chartered depository thrifts will be 700000 + docket number; for example, if docket number is 367, the HMDA 10-digit RID number will be 0000700367)	Federal Tax ID number (Include the hyphen and remove the leading zero in the RID for the federally chartered nondepository thrifts that transfer to OCC)	1

with assets greater than the asset threshold as of December 31 of the preceding calendar year (currently \$40 million as of December 31, 2010).

Of those depository institutions who qualify to be placed on the 2011 HMDA Panel, only include those depository institutions with assets greater than \$10 billion as of June 30, 2011.

The Respondent ID field will contain the RSSD ID of the depository institution.

The depository institution's assets on the 2011 HMDA Panel will be the assets as of June 30, 2011.

Nondepository Institutions

Include those nondepository institutions whose parent is placed on the HMDA Panel as a depository institution and assigned to the CFPB.

The Respondent ID field will contain the Federal Tax ID of the nondepository institution.

The Parent ID field will contain the RSSD ID of the parent (depository institution).

Affiliates

Include institutions that have an affiliation with a depository institution already on the calendar year 2011 HMDA CFPB Panel.

The Respondent ID field is the RSSD ID of the depository institution.

The depository institution's assets on the HMDA Panel will be the assets as of June 30, 2011.

For additional guidance reference the [2011 HMDA File Specifications](#) document or e-mail HMDAHELP@frb.gov.

Explanations for Macro Quality Edits Mandatory

Macro quality edits measure the reasonableness of an institution's HMDA data on a macro level. The purpose of these edits is to identify data that could alter an individual institution's Disclosure Report and the MSA/MD Aggregate Reports.

Macro quality edits are generated against an institution's entire data submission and are included with the institution's edit report. The Macro Quality Edit Report appears as a separate report in the institution's edit report. Each macro quality edit has a tolerance assigned to it that appears in the "Fields and Values" column of the Macro Quality Edit Report. The referenced data fields must be verified for accurate reporting.

Macro quality edits included in the Macro Quality Edit Report are as follows: Q006-Q009, Q011, Q015, Q016, Q023, Q031, Q047-Q048, Q053-Q058, Q061-Q063, Q065, Q070-Q076, Q080-Q083.

A response is required for all macro quality edits that appear on the Macro Quality Edit Report. Institutions must provide a **detailed explanation** for every macro quality edit that appears on the

report and indicate whether the data reported will be corrected. A validity error-free, complete resubmission is mandatory when data containing macro quality edits require correction; the resubmission must be submitted no later than the date shown in the cover letter of the institution's edit report. If the data do not require correction, a **detailed explanation** must be provided as to why the data containing a macro quality edit is correct. The explanation(s) must be sent to the Federal Reserve Board's HMDA Operations staff with the Summary of Q595 Edit Report (if contained in the edit report package) and signed Confirmation Sheet no later than the date identified in the cover letter of the institution's edit report.

Institution contact staff must carefully read the Macro Quality Edit Report instructions in the cover letter of the edit report to ensure proper procedures are followed. If questions remain, contact HMDAHELP@frb.gov and include in the e-mail's subject heading the institution's Respondent ID, agency code, and region code.

Census Tract Changes and their Effect on the Geocoding/Mapping System

The FFIEC Geocoding/Mapping System is a web-based tool designed to help financial institutions meet the reporting obligation to include property location information on mortgage, business, and farm loans. Geocoding refers to the Metropolitan Statistical Area (MSA), State, County, Census Tract combination (address information) that must be reported for each loan/application. The system allows institutions to enter a street address, and it then determines the census tract. When an address is not found, the mapping feature enables the user to determine the property location based on known landmarks without resorting to a paper map. The system also provides Census demographic information about a particular census tract, including income, population, and housing data. Institutions use this information to assess whether they are meeting the credit needs of the communities in which they operate.

The 23rd U.S. Census, known as Census 2010 or the 2010 Census, is the current national census of the United States, and is the U.S. Census Bureau's attempt to document the most accurate count of socioeconomic data. This information provides data about communities in the U.S. on a 10-year cycle, and is reflected in the

FFIEC Geocoding/Mapping System. Only geographical data have been updated in the Geocoding/Mapping System, effective for calendar year (CY) 2012 reporting due March 1, 2013. This update includes the addition/revision of several new census tracts. Census 2010 demographic data (i.e., income, population, housing) is currently not available for the CY 2012. The FFIEC expects to release demographic data based on the 2010 American Community Survey (ACS) in June 2012. The Geocoding/Mapping System will be updated with the new demographic data at that time.

When entering a street address in the FFIEC Geocoding/Mapping System, institutions must make sure the correct activity year is selected. The tract definitions for 2010 and 2011 HMDA and CRA data are based on the 2000 Census and the tract definitions for 2012 HMDA and CRA data are based on the 2010 Census. Questions regarding the updated census tract definitions in the FFIEC Geocoding/Mapping System should be addressed to HMDAHELP@frb.gov.

The Future of FFIEC Census Data

The Federal Financial Institutions Examination Council (FFIEC) announced via an FFIEC Press Release on October 19, 2011, that it will incorporate the 2010 American Community Survey (ACS) data into the FFIEC-published census data file. The new methodology responds to a change in the way the U.S. Census Bureau collects information that is reflected in the FFIEC's census data. (The majority of the FFIEC Press Release is included in this article; however, if you wish to read it in its entirety, link to www.ffiec.gov/press/pr101911_ACS.htm).

Unlike the previous decennial census that counted the nation's population and surveyed a smaller segment of the population to collect detailed information, the 2010 Census was used only to count the nation's population. Data that were traditionally collected through the supplemental survey are now collected as part of the ACS. The ACS is a nationwide survey designed to provide local communities with reliable and timely demographic, social, economic, and housing data each year. Because the pace of change has accelerated rapidly, the U.S. Census Bureau believes that it is no longer sufficient to collect detailed data about our population once every 10 years. The Census Bureau began collecting ACS data in 2006 and has already released one-, three-, and five-year estimate data. The Census Bureau first released data for geographies of all sizes (the "five-year estimate data") in 2010 and will continue to publish the five-year estimate data as a rolling average on an annual basis.

The FFIEC publishes census data as part of the Home Mortgage Disclosure Act (HMDA) aggregate and disclosure data and as a separate census data file, both of which are available on the FFIEC website. The census data are used to provide context to HMDA and Community Reinvestment Act (CRA) data. Historically, the census data "base" file was developed by the FFIEC every 10 years and was updated annually. Because of the changes in the collection of the 2010 census data, the agencies will make corresponding changes to its data files.

The FFIEC will use the 2010 ACS five-year estimate data to create a new base file. The FFIEC will update the census information in the base file every five years. Implementation of the new data for CRA and HMDA reporting, consumer compliance and CRA examination purposes will occur in 2012, and the data will be utilized in the same manner that decennial data has been used in the past. In addition to the tract income data, the new base file will include updated race and ethnicity data. Those data will also be updated every five years going forward.

Although the ACS data are published annually as a rolling average, the FFIEC decided against publishing and using annual census data. The FFIEC believes the modest changes in the annual data would provide only a limited benefit. Although the 2010 census data have resulted in many new census tracts as

well as redefinition of some existing tracts, studies have shown that the data generally remain the same for the majority of census tracts from year to year or over a multi-year time period. The five-year approach is seen as a significant improvement over the current 10-year data updates and will minimize the confusion and errors that might occur if the data were updated more frequently. Additionally, updating the data every five years should be sufficient to provide an accurate assessment of an institution's lending in low- and moderate-income geographies.

Finally, the HUD Estimated Metropolitan Median Family Income (MFI) Listing will be replaced by the ACS Estimated Metropolitan Median Family Income Listing and will be updated annually by Federal Reserve Board staff on behalf of the FFIEC. The first ACS MFI will be released in June 2012.

Recreated Individual Institution Disclosure Reports

When an error is found in an institution's HMDA data file by the respective HMDA reporting institution or a bank examiner, and the error is found during the annual collection and processing/cleanup cycles of HMDA data (January through the end of the third week in April), the corrected and revised data are included in the September public release of the [HMDA "final" data](#). For example, calendar-year 2011 data received before the end of the third full week of April 2012 will be reflected in the September 2012 public release of the HMDA final data.

Every year, approximately 5 percent of the 8,000 HMDA reporting institutions resubmit their revised data after the April deadline. Following the deadline, the HMDA data processing system (DPS) is shut down to complete a thorough data-quality assessment and to prepare for the September release. Usually, the HMDA DPS reopens in June and the processing of revised data resumes. Any institution's "complete" resubmission received during the HMDA DPS shutdown period will be loaded and processed. Following the September release, the institution's revised disclosure statement is e-mailed to the address listed in its Transmittal Sheet but the revised disclosure statements will not post to the FFIEC HMDA website.

Some of the primary reasons for submitting revised data are because of changes to

- 10 percent or more of data
- 100 or more applications
- LAR count
- Loan Purpose
- Loan Type
- MSA/MD

- Property Type
- Rate Spread
- Respondent Name
- RID and/or Agency

Finally, an institution submitting revised HMDA data after the September release can expect an updated disclosure statement via e-mail following the completion and receipt of its response to the Edit Report.

When the revised data is submitted after the April deadline, the institution's HMDA contact person is required to fulfill these steps:

- Verify, resolve, and respond accordingly to the Edit Report generated from the complete resubmission.
- Explain the reason for the complete resubmission and note which data field(s) were revised; space is provided for this on the Confirmation Sheet.
- Sign, date and return the Confirmation Sheet.
- Make sure your institution receives a recreated individual institution disclosure statement via e-mail from HMDAHELP@frb.gov; it will be e-mailed to the address on the institution's Transmittal Sheet.
- Make available to the public the institution's recreated disclosure statement for five years following an Activity Year.

Please refer to the FFIEC HMDA website for additional guidance about [complete resubmissions](#) and the [HMDA Data Processing Timeline](#).

Quality Edits Q026 and Q067: Together Identify Inaccurately Reported Applicant Income

During the data-quality assessment of calendar year (CY) 2010 HMDA data, the Federal Reserve Board's HMDA Operations staff discovered inaccuracies in the reported applicant income on some loan/application records (LARs).

These LARs were "flagged" simultaneously with the quality edits Q026 and Q067. When these edits are flagged on the same LAR, the respondent should correct the applicant income data field. The edits on the edit report will appear as follows:

Q026: Applicant ethnicity, race and/or sex = 4, 7, or 4, respectively; verify.

Q067: Income is numeric; verify.

This scenario will occur when all of the following is reported:

- The income has been reported as a numeric value.
- The applicant is not a natural person.
- The co-applicant is not a natural person or there is no co-applicant.

A HMDA respondent who has LARs flagged simultaneously by Q026 and Q067 must first confirm the accuracy of the reported applicant and co-applicant fields. If the reported applicant and co-applicant fields are reported correctly, the failure of both edits on the same LAR requires a change to the applicant income from a numeric value to 'NA' (Reference: *2010 A Guide to HMDA Reporting*, page A-7, paragraph 6.d.). Once that correction and any others are made, the respondent must then resubmit the revised HMDA LAR. Those LARs that were flagged with both quality edits Q026 and Q067 in the previous edit report and that had the income changed to 'NA' will not be flagged with quality edit Q067. The resulting edit report will be e-mailed for review and response.

Quick Tips

QUICK TIP 1

Q: My institution's name is longer than the Transmittal Sheet (TS) 'Respondent Name' field will allow, i.e., greater than 30 characters. Can I abbreviate part of the institution name?

A: We recommend following the below list of abbreviations when trying to fit the institution's entire name in the Transmittal Sheet 'Respondent Name' field.

WORD	RECOMMENDED ABBREVIATION
America	AMER
Association	ASSN
Avenue	AVE
Bank	BK
Bank & Trust Company	B&TC
Banking	BKG
Branch	BR
Capital	CAP
Center	CTR
Commerce	CMRC
Community	CMNTY
Company	CO
Cooperative	CO-OP
Corporation	CORP
County	CTY
Credit Union	CU
Employee	EMPL
Exchange	EXCH
Federal	FED
Federal Credit Union	FCU

WORD	RECOMMENDED ABBREVIATION
Federal Savings & Loan Association	FS&LA
Financial	FNCL
First National Bank	FNB
Incorporated	INC
Institution	INST
International	INTL
Limited Liability Company	LLC
Merchant	MRCH
Mortgage	MTG
Mutual Savings Bank	MSB
National Association	NA
National Bank	NB
National Bank & Trust Company	NB&TC
Partner	PTNR
Real Estate	RE
Realty	RLTY
Saving	SVG
Savings	SVGS
Savings & Loan	S&L
School	SCH
Security	SCTY
Service	SVC
State	ST
Trust Company	TC

QUICK TIP 2

Q: In reviewing and responding to my Edit Report, I have finished the cover letter's checklist. Do I need to fax this checklist back along with the signed and dated Confirmation Sheet?

A: The Edit Report's cover letter checklist is for the contact person's reference and serves as a guide while working through the process of completing the Edit Report. The checklist should not be faxed back to us; it is not required documentation for the institution to be marked "complete" in their filing.

QUICK TIP 3

Q: I have tried to fax back the completed Edit Report to the fax number listed on the Confirmation Sheet but the fax number is busy. The Edit Report response is due today; how can I submit this by the deadline?

A: The Board's CRA/HMDA Operations staff receives the highest volume of faxes from respondents during the month of March. If your repeated attempts to fax the completed response to the Edit Report fail, please consider e-mailing a scanned copy of the HMDA Edit Report response to HMDAHELP@frb.gov; e-mail a scanned copy of the CRA Edit Report response to CRAHELP@frb.gov. The e-mail subject heading must contain the following identifying information as found on the Edit Report cover page and Confirmation Sheet: the respondent name, the regulatory agency code, and the region code (HMDA only). If this information is not provided in its entirety or is inaccurate then the tracking of the Edit Report may be delayed and result in the institution receiving 'Overdue Edit Report' e-mail notifications.

QUICK TIP 4

Q: We are a HUD-regulated institution. What is our Respondent ID (RID) number and agency code?

A: The RID number is your Federal Tax ID including the dash; format is NN-NNNNNNN. Agency code is 7. If you used your FHA number (zero-filled in the front making it a ten-digit number) in previous years on the HMDA report, please use your Federal Tax ID number beginning with the reporting of 2011 HMDA data in 2012.

BULLETINBOARD

FFIEC Reporting RESOURCES

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

CRA

A Guide to CRA
Data Collection and Reporting
www.ffiec.gov/cra/guide.htm

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

HMDA

A Guide To HMDA Reporting:
Getting It Right!
www.ffiec.gov/hmda/guide.htm

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

NEED ASSISTANCE?

Contact CRA and HMDA staff through their websites or via e-mail or phone.

CRA

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

HMDA

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

ALERT: Revised 2010 HMDA Resubmission Deadline

2010 HMDA resubmissions warranting a revised disclosure statement will be accepted through December 14, 2012. We strongly recommend that institutions submit HMDA resubmissions using the [Submission via Web](#) option for expedited processing. Institutions will receive a 2010 Edit Report via e-mail for review and confirmation. Following confirmation, a revised copy of the disclosure statement will be provided to the institution.