

Changes to HMDA in 2018 and In the Years Ahead

Home Mortgage Disclosure Act (Hum-DA!)

- Home loans applications made by most banks, credit unions, and mortgage lenders are collected.
- Massive yearly data file of between 12-14 million records.

The Consumer Finance Protection Bureau (CFPB)

- In 2010 the Dodd-Frank Reform bill charged the CFPB with collecting and disseminating HMDA.
- This led to the CFPB HMDA website and a shift for lenders to report their yearly data to the CFPB instead of the FFIEC.

The Consumer Finance Protection Bureau (CFPB) – cont.

- Starting in March 2018 lenders submit data to the CFPB online via a portal, similar to using Google drive or Dropbox.

New HMDA Timeline

- March 2018 Individual lender files will be published by the CFPB for download.
- Spring 2018 Full flat file of all HMDA applications will be released and CFPB HMDA website will be updated.
- Spring 2019 HMDA data will begin to include modified and new data fields.

Race and Ethnicity Changes

- Hispanic, Asian, and Hawaiian or Pacific Islanders will be allowed subcategories and free text fields to better identify themselves.

Asian Subcategories

- Indian
- Chinese
- Filipino
- Japanese
- Korean
- Vietnamese
- Other

Hispanic Subcategories

- Mexican
- Puerto Rican
- Cuban
- Other

Native Hawaiian or Other Pacific Islander Subcategories

- Native Hawaiian
- Guamanian or Chamorro
- Samoan
- Other

Old, New, Modified

1. Action Taken
2. Regulatory Agency
3. Applicant Ethnicity, Race, Gender
4. New Racial Subcategories
5. Year/Date
6. State, MSA, County, Census Tract of Property
7. Denial Reason
8. HOEPA and Rate Spread
9. Lien Status
10. Loan Purpose
11. Loan Amount
12. Property Type
13. Loan Type
14. Lender ID
15. Purchaser
16. Preapproval
17. Occupancy
18. Loan Identifier
19. Loan Amount
20. Borrower Age
21. Credit Score
22. Loan Costs
23. Origination Fees, points, credits
24. Interest Rate
25. Prepayment Penalty
26. Debt to income ratio
27. Loan to value ratio
28. Loan Term
29. Property Value
30. Property Address
31. Manufactured Home Type and Land Tenure
32. Total Units/Affordable Units
33. Application Channel
34. Loan Originator ID
35. Automated Underwriting System Used
36. Exotic Features
 1. HECMs, open ended loans, etc

Non-Public Data

- It has been proposed that these data points will be collected but not released to the public.
 - Universal Loan Identifier
 - Specific dates for application or closing/denial
 - Property Address
 - Credit Score
 - Loan Originator Identifier
 - Underwriting system result
 - Free form text fields (for race and ethnicity)

Non-Public Data

- The following Data points will be released with less detail than the lender submits
 - Loan Amount
 - Borrower Age
 - Debt-to-income ratio
 - Property Value

The Loan Origination Process

- Borrower information entered into loan origination software.
- This software handles underwriting submissions, error correction, and reporting
- Compliance software converts these records to a file that it uploads to the CFPB.

The Loan Origination Process

- Much of the data new to HMDA was already collected for other reasons.
 - Borrowers have always entered their date of birth on the application.
 - Loan origination software now uses that to compute the age for HMDA.

So what items are truly “new” that lenders never collected for other reasons?

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4. New Racial Subcategories