REGULATORY ALERT

NATIONAL CREDIT UNION ADMINISTRATION
1775 DUKE STREET, ALEXANDRIA, VA 22314

DATE: **January 2010** **NO: 10-RA-04**

TO: **Federally-Insured Credit Unions**

SUBJ: **Home Mortgage Disclosure Act (HMDA)**
Submission of 2009 HMDA Data for Credit Unions Over $39 Million in Assets

Dear Board of Directors:

Credit unions located in metropolitan areas that engage in certain types of residential mortgage lending and have assets exceeding the Federal Reserve Board's (FRB) published threshold of $39 million must comply with Regulation C. Regulation C implements the Home Mortgage Disclosure Act. **Credit unions subject to HMDA requirements for 2009 activity must submit loan/application register (LAR) data to the FRB by March 1, 2010.**

To determine if your credit union must submit HMDA data for calendar year 2009 activity, please review Regulatory Alert 09-RA-02, Home Mortgage Disclosure Act Data Collection Requirements for Calendar Year 2009 dated January 2009. This Regulatory Alert is available at the address http://www.ncua.gov//Legal/Pages/RA2009-02.aspx on NCUA's Internet site.

The purpose of this Regulatory Alert is to:

- Remind you of the filing deadline for 2009 HMDA data; and
- Inform you of NCUA's policy concerning the late submission of required HMDA data.

Filing Deadline for 2009 HMDA Data

Credit unions subject to HMDA requirements for 2009 activity must submit LAR data to the FRB processing center by **March 1, 2010**. This requirement remains in place even for credit unions that do not have to accumulate HMDA data for applications processed during 2010.[1]

The LAR requires data about the mortgage applications processed during the reporting year. Additional information about the LAR filing requirements is available at the Federal Financial Institutions Examination Council's (FFIEC) Internet site http://www.ffiec.gov/hmda/default.htm.

Credit unions with 25 or fewer entries on their LAR may report and submit the data in paper form. However, all credit unions with more than 25 entries on the LAR must submit their

[1] Examples of events causing a credit union previously required to submit HMDA data to become exempt include relocation from a metropolitan area or a decrease in total assets below the minimum threshold.

reports in an automated, machine-readable, form under one of the methods discussed at the link http://www.ffiec.gov/hmda/contactNCUA.htm on the FFIEC's Internet site.

The FRB prefers receiving the LAR data through the "Submission via Web" option described in greater detail at http://www.ffiec.gov/hmda/faqtech.htm#srs2. This option is the most secure and efficient method because it offers a ONE-step submission process where users receive confirmation the FRB successfully received the HMDA data.

If you do not use the "Submission via Web" option, you also have the option of submitting automated LAR data by e-mail at the address hmdasub@frb.gov. This option requires proper encryption of the LAR data file using the FFIEC data entry software encryption utility before transmission. The encryption process requires installing the Internet Submission software that is available for free at the FFIEC Internet site http://www.ffiec.gov/software/default.aspx. To ensure data can be successfully read by the FRB by email, you should use the edit check feature of the HMDA data entry software prior to encrypting and submitting your transmission file.

The HMDA Data Entry Software is available for free at the FFIEC Internet site http://www.ffiec.gov/hmda/softinfo.htm. The software automates the filing of your HMDA data and includes editing features to help you verify and analyze the accuracy of the data. The data file created, using this software, can be submitted to the FRB using "Submission via Web", encrypted for submission via Internet email, or exported onto a diskette/CD-ROM for mailing. Transmissions by methods other than "Submission via Web" or email may be delayed due to FRB security protocols.

Data is considered to be successfully received by the FRB once the FRB has loaded your data onto its mainframe computer. When the FRB has successfully loaded your data, it will confirm receipt of the file by faxing or emailing an edit report that lists potential data errors. You should retain a dated copy of the edit report with your credit union's records. The following general time frames apply:

- If you sent your submission using the "Submission via Web" or Internet email option, you should receive an edit report by fax within a week of transmitting your report.

- If you sent your submission via diskette or CD-ROM, you should receive an edit report via fax within two weeks of mailing your report.

Credit unions submitting their data by email will receive an email message from the FRB that confirms receipt of the submission. It is important to not confuse the confirmation that the FRB has received your submission with the edit report that documents the FRB has successfully loaded your data onto its mainframe computer. The FRB only considers your data as being received when it issues the edit report.

If your credit union does not receive an edit report from the FRB, it is your responsibility to follow up with the FRB. In the recent past, several credit unions did not either a) contact the FRB when not receiving a confirmation of receipt; or b) follow up when not receiving a list of potential data errors after initially receiving a confirmation of receipt. As a result, the credit unions were not aware that their LAR data was not successfully loaded onto the FRB's mainframe computer until appearing on a delinquent filer list.

NCUA Policy Concerning Delinquent Filings

NCUA anticipates every credit union that is required to report 2009 HMDA data will provide a readable transmission file to the FRB by the March 1, 2010 deadline. Following March 1, the FRB will provide a list of delinquent filers to NCUA. Credit unions appearing on this list could become subject to civil money penalty assessments.

Other Resources

The FFIEC maintains an Internet site (http://www.ffiec.gov/hmda/default.htm) that is devoted to providing financial institutions with assistance in complying with HMDA requirements. This site also provides access to a comprehensive guide entitled ***A Guide to HMDA Reporting – Getting it Right!*** that provides information about the history of HMDA, data reporting requirements, LAR completion guidelines, geocoding tools, and disclosure requirements.

Questions concerning HMDA software, data receipt confirmations, data edits, and other issues related to the submission of HMDA data can be sent to the FRB by email at hmdahelp@frb.gov or you may contact the HMDA Assistance Line (202-452-2016).

Should you have questions about completing the LAR, please contact your regional office or state supervisory authority.

Sincerely,

/s/

Debbie Matz
Chairman