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# REGULATORY ALERT

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NATIONAL CREDIT UNION ADMINISTRATION

1775 Duke Street, Alexandria, VA 22314

DATE: December 17, 1997 NO. 97-RA-14

TO: Credit Unions Subject To Home Mortgage Disclosure Act (HMDA) Reporting Requirements

SUBJECT: Changes to the HMDA Reporting Requirements

The Federal Financial Institutions Examination Council (FFIEC) has issued a letter to credit unions subject to HMDA reporting requirements highlighting the previously announced changes in rules or reporting requirements for 1997. Attached is the letter discussing the changes that will impact the upcoming reporting cycle.

The letter also serves as a supplement to the 1996 *Guide to HMDA Reporting: Getting It Right!*, which should be utilized for guidance on requirements for 1997 data collection and reporting. To obtain copies of the *Guide to HMDA Reporting: Getting It Right!*, you may contact FRS Publications at (202) 452-3245.

Sincerely,

/S/

Norman E. D'Amours

Chairman

Attachment

Federal Financial Institutions Examination Council

2100 Pennsylvania Avenue, NW, Suite 200 Washington, DC 20037 (202) 634-6526 FAX (202) 634-6556

November 19, 1997

## TO ALL LENDING INSTITUTIONS SUBJECT TO HOME MORTGAGE DISCLOSURE ACT REPORTING REQUIREMENTS

As calendar year 1997 draws to a close, your institution will be taking steps to complete Home Mortgage Disclosure Act (HMDA) data compilation for the fourth quarter and to double-check HMDA-LAR entries for accuracy and completeness. The 1997 report must be received by your supervisory agency, at the address listed in Appendix G of the *Guide to HMDA Reporting: Getting It Right!*, no later than March 2, 1998.

This letter is intended to serve as a reminder regarding previously announced changes in rules or reporting requirements for 1997. These relate to:

- Changes to Regulation C, including the asset-size exemption for depository institutions and a new option for making your institution's branch-office disclosures available to the public.
- The designation (by the Office of Management and Budget) of new Metropolitan Statistical Areas (MSAs) in Arkansas and Idaho and a change in a Tennessee MSA that are in effect beginning in 1997. (There are no changes in MSAs for 1998 data collection.)

In addition, large institutions subject to the Community Reinvestment Act (CRA) are reminded of the requirement to provide property location for all HMDA-LAR entries, and not just for MSAs in which they have offices. You may rely on the *1996 Guide to HMDA Reporting*, as supplemented by this letter, for guidance on requirements for 1997 data collection and reporting.

### Revisions to Regulation C

The Federal Reserve Board adopted changes to Regulation C in May 1997, following statutory amendments enacted in 1996 (62 FR 28620, May 27, 1997; correction, 62 FR 33339, June 19, 1997). First, the asset-size exemption for depository institutions has been increased from \$10 million to \$28 million. Accordingly, depository institutions with assets of \$28 million or less as of December 31, 1996, are exempt from 1997 data collection and reporting.

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(These institutions, if covered in 1996, were still required to report their 1996 data by March 1, 1997.) The asset threshold will be adjusted each year based on changes in the Consumer Price Index; the Federal Reserve Board will announce the threshold applicable to 1998 data collection in December 1997. The increase in the asset threshold does not apply to nondepository institutions subject to HMDA; the threshold for nondepository institutions remains at \$10 million as in previous years.

The second change included in the amendments to Regulation C is a new option for making disclosures available to the public. Previously, institutions were required to make disclosure statements available at their home offices, and also in at least one branch office in each additional MSA where they had an office. Under the amendment, as an alternative to having disclosure statements available in branch offices, institutions may post a notice that disclosure statements are available upon request, and then send a copy of the statement within 15 days of receiving a written request.

The third change was to the Transmittal Sheet that accompanies the Loan Application Register; a blank has been added for the institution's fax number, and the requirement to enter the name and address of the institution's supervisory agency has been dropped.

For details on any of these changes to Regulation C, please refer to the Federal Register notice of the amendments referred to above.

## Changes in Metropolitan Statistical Areas

The following changes in MSAs were announced by the Office of Management and Budget to take effect for 1997 HMDA data collection:

- New MSA: Jonesboro, Arkansas (MSA 3700, consisting of Craighead County, code 031)
- New MSA: Pocatello, Idaho (MSA 6340, consisting of Bannock County, code 005)
- County added: Jackson, Tennessee (MSA 3580, now includes Chester County, code 023).

Add these entries to the list contained in the 1996 HMDA *Guide*.

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## Property Location Reporting for Large Institutions Subject to CRA

Large institutions subject to the CRA are reminded that they must report the property location for all applications and loans on their HMDA-LAR. This requirement applies whether the property is located in an MSA where the institution has a home or branch office, in some other MSA, or in a non-MSA area. The requirement applies to banks and savings associations that had total assets of \$250 million or more (and to banks and savings associations that are subsidiaries of holding companies whose total banking and thrift assets were \$1 billion or more) as of December 31 for each of the preceding two years.

Examples: For a loan on property in a rural, non-MSA area that does not have census tracts, the institution would report using NA for the MSA, the two-digit state code and three-digit county code, and, in the census tract field, the BNA number or NA. For a loan on property in an MSA (whether or not the institution has offices there), the institution would report the MSA, state, and county codes, and the census tract number.

If you have any questions regarding any of the points discussed above, or on other HMDA matters, please call your supervisory agency.