

# REGULATORY ALERT

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

**DATE:** February 2012 **NO:** 12-RA-01  
**TO:** Federally Insured Credit Unions Over \$40 Million in Assets  
**SUBJ:** Submission of 2011 Home Mortgage Disclosure Act (HMDA) Data

Dear Board of Directors:

Credit unions located in metropolitan areas that engage in certain types of residential mortgage lending and have assets exceeding \$40 million must comply with Regulation C, which implements the Home Mortgage Disclosure Act (HMDA).<sup>1</sup>

**Credit unions that were subject to HMDA requirements in 2011 must submit loan/application register (LAR) data to the Federal Reserve Board (FRB) by March 1, 2012.**

To determine if your credit union must submit HMDA data for 2011 activity, please review Regulatory Alert 11-RA-02, Home Mortgage Disclosure Act Data Collection Requirements for Calendar Year 2011, dated January 2011. Last year's Regulatory Alert is available on NCUA's website at <http://www.ncua.gov/Legal/Pages/RA2011-02.aspx>.

The purpose of this 2012 Regulatory Alert is to:

- Describe your options for filing 2011 HMDA data; and
- Inform you of NCUA's policy concerning late submission of required HMDA data.

## **Filing Deadline for 2011 HMDA Data**

Credit unions subject to HMDA requirements for 2011 activity must submit LAR data to the FRB processing center by **March 1, 2012**. This requirement remains in place even if a credit union no longer has to accumulate HMDA data for applications processed during 2012.<sup>2</sup>

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

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<sup>1</sup> The Dodd-Frank Wall Street Reform and Consumer Protection Act transferred rulemaking authority for HMDA to the Consumer Financial Protection Bureau (CFPB), effective July 21, 2011. Regulation C is recodified as 12 CFR 1003, effective December 19, 2011.

<sup>2</sup> 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.

## **Filing Options**

Credit unions with 25 or fewer entries on their LAR may report and submit the data in paper form. However, credit unions with more than 25 entries on their LAR must submit their reports in an automated, machine-readable form under one of the methods discussed on the FFIEC website at <http://www.ffiec.gov/hmda/contactNCUA.htm>.

### **Submission via Web**

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 that the FRB successfully received the HMDA data.

### **Submission via E-mail**

If you do not use the “Submission via Web” option, you also have the option of submitting automated LAR data by e-mail to [hmdasub@frb.gov](mailto: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 on the FFIEC website at <http://www.ffiec.gov/software/default.aspx>. To ensure your e-mail data can be successfully read by the FRB, 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 (Version 2012) is also available for free at the FFIEC website <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 e-mail, or exported onto a diskette/CD-ROM for mailing. *Transmissions by methods other than “Submission via Web” or e-mail may be delayed due to FRB security protocols.*

## **Confirmation of Filing**

Data is considered to be successfully received once the FRB has uploaded your data onto its mainframe computer. When the FRB has successfully uploaded your data, it will confirm receipt of the file by faxing or e-mailing 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 e-mail 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 e-mail will receive an e-mail message from the FRB that confirms receipt of the submission. It is important not to 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.**

In the recent past, several credit unions did not either a) contact the FRB about 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, those credit unions were unaware 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 expects every credit union that is required to report 2011 HMDA data to provide a readable transmission file to the FRB by the March 1, 2012 deadline. Following March 1, the FRB will provide a list of delinquent filers to NCUA.

**Credit unions appearing on the FRB's delinquent filers list could become subject to civil money penalty assessments.**

**Other Resources**

The FFIEC maintains a website (<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 publication entitled *A Guide to HMDA Reporting: Getting it Right!* This publication 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 submission of HMDA data can be sent to the FRB by e-mail at [hmdahelp@frb.gov](mailto:hmdahelp@frb.gov), or you may call the HMDA Assistance Line at (202) 452-2016. The FRB advises questioners to use only one method of communication. Given the increased volume of inquiries between January and May, the FRB notes that its response time could exceed 5 business days.

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

Sincerely,

Debbie Matz  
Chairman