

REGULATORY ALERT

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

DATE: February 2014 **NO.:** 14-RA-08
TO: Federally Insured Credit Unions Over \$42 Million in Assets
SUBJECT: Submission of 2013 Home Mortgage Disclosure Act (HMDA) Data

Dear Board of Directors and Chief Executive Officer:

Credit unions located in metropolitan areas that engage in certain types of residential mortgage lending and that had assets exceeding \$42 million as of December 31, 2012, must file a report regarding mortgage loan applications received during 2013. The filing is part of compliance with the Consumer Financial Protection Bureau's Regulation C, which implements HMDA.¹

Credit unions subject to HMDA requirements in calendar year 2013 (CY2013) must submit loan/application register (LAR) data to the Federal Reserve Board (FRB) by March 3, 2014.

To determine if your credit union must submit HMDA data for CY2013 activity, please review Regulatory Alert 13-RA-01, "Home Mortgage Disclosure Act (HMDA) Data Collection Requirements for Calendar Year 2013" (January 2013). It is available at <http://www.ncua.gov/Legal/Pages/RA2013-01.aspx>.

The purpose of this Regulatory Alert is to:

- Describe your options for filing CY2013 HMDA data; and
- Inform you of NCUA's policy concerning late submission of required HMDA data.

Filing Deadline for 2013 HMDA Data

Credit unions subject to HMDA requirements for CY2013 activity must submit LAR data to the FRB processing center by **March 3, 2014**. Credit unions meeting the filing criteria for CY2013 must comply even if they will no longer have to collect HMDA data during CY2014.²

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

¹ 12 U.S.C. 2801-2810; 12 CFR Part 1003.

² 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 form under one of the methods discussed 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. To submit via web, you must use the FFIEC software available at <http://www.ffiec.gov/software/default.aspx>.

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. This option requires you to properly encrypt the LAR data file using the FFIEC Data Entry Software encryption utility before transmission. The encryption process requires you to install the free Internet submission software 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 2013) is also free on the FFIEC website at <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. You may submit the data file created using this software to the FRB using “Submission via Web,” encrypted for submission via Internet e-mail, or exported onto a diskette/CD-ROM for mailing. *Please note 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 data processing system. When the FRB has successfully uploaded your data, the FRB will confirm receipt of the file by e-mailing an Edit Report listing 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 via e-mail within two business days of transmitting your report.
- If you sent your submission via diskette or CD-ROM, you should receive an Edit Report via e-mail within 10 business days of mailing your report.

Credit unions submitting their data by e-mail will receive an e-mail message from the FRB to confirm receipt of the submission. It is important not to confuse the confirmation that the FRB has received your submission with the Edit Report to document the FRB successfully loaded your data onto its data processing system. 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.

Some credit unions neglected to contact the FRB when they did not receive a timely confirmation of receipt. Several others neglected to follow up when they did not receive a list of potential data errors after initially receiving a confirmation of receipt. As a result, those credit unions were unaware their LAR data was not successfully loaded onto the FRB's data processing system until appearing on a delinquent filers list.

NCUA Policy Concerning Delinquent Filings

NCUA expects every credit union required to report 2013 HMDA data to provide a readable transmission file to the FRB by the March 3, 2014, deadline. Following March 3, 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>) designed to assist financial institutions with HMDA compliance. Included on the site is a comprehensive publication entitled *A Guide to HMDA Reporting: Getting it Right!* The guide provides information about the history of HMDA, data reporting requirements, LAR completion, geocoding tools, and disclosure requirements. In addition, the website contains an FAQ section and newsletters that address specific HMDA issues.

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. Given the increased volume of inquiries between January and May, the FRB advises its response time could exceed two business days.

If you have questions, please contact NCUA's Office of Consumer Protection at (703) 518-1140 or at ComplianceMail@ncua.gov, or contact your regional office or state supervisory authority.

Sincerely,

/s/

Debbie Matz
Chairman