

[Banking and Finance Law Daily Wrap Up, MORTGAGES—CFPB's proposed rule would further clarify HMDA amendments, \(Apr. 13, 2017\)](#)

Banking and Finance Law Daily Wrap Up

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The Consumer Financial Protection Bureau has requested comments on its proposed rule to make technical corrections and clarify certain requirements adopted by Reg. C—Home Mortgage Disclosure. According to the bureau, it hopes that these amendments will help financial institutions comply with the HMDA. Comments on the [proposed rule](#) must be received within 30 days after publication in the *Federal Register*.

"The Home Mortgage Disclosure Act shines a much-needed spotlight on the mortgage market, which is the largest consumer financial market in the world," [said](#) CFPB Director Richard Cordray. "Today's proposal reflects the Bureau's ongoing and substantive engagement with stakeholders in the marketplace, and will help industry meet its new reporting obligations."

Monitoring mortgages. The HMDA requires many lenders to report information about the home loans in which they receive applications or that they originate or purchase. The regulators use the information to monitor whether financial institutions are serving the housing needs of their communities, assist in distributing public-sector investment, and to identify possible discriminatory lending patterns.

Following the passage of the Dodd-Frank Act, the CFPB updated the HMDA regulation to improve the quality and type of data reported by financial institutions. These amended requirements take effect in January 2018, although public outreach by the CFPB demonstrated that the financial industry would benefit from further clarification.

Proposed rule. The proposal contains a number of clarifications, technical corrections, and minor changes to the HMDA regulation, including:

- clarifying certain key terms, such as "temporary financing" and "automated underwriting system;"
- establishing transition rules for reporting certain loans purchased by financial institutions; and
- facilitating reporting the census tract of a property, using a new geocoding tool the CFPB plans to provide online.

RegulatoryActivity: CFPB CommunityDevelopment DoddFrankAct Loans Mortgages