



FEDERAL RESERVE BANK OF DALLAS

Station K, Dallas, Texas 75222

Circular No. 84-5
January 17, 1984

TO: All member banks and others concerned in the Eleventh Federal Reserve District

ATTENTION: Chief Executive Officer

SUBJECT: Technical amendments to Regulation C -- Home Mortgage Disclosure

SUMMARY: The Board of Governors of the Federal Reserve System has announced amendments, effective January 1, 1984, to its Regulation C to implement changes in terminology related to the definition of metropolitan areas. Earlier this year, the Office of Management and Budget (OMB) made certain changes concerning "standard metropolitan statistical areas" (SMSAs). These areas will now be called "metropolitan statistical areas" (MSAs), except for areas that are recognized as part of a larger metropolitan area, which will be termed "primary metropolitan statistical areas" (PMSAs). The Board is amending its Regulation C to incorporate this change, as appropriate.

ATTACHMENTS: Material as submitted for publication in the Federal Register

MORE INFORMATION: Legal Department, Extension 6171

ADDITIONAL COPIES: Public Affairs Department, Extension 6289

FEDERAL RESERVE SYSTEM

12 CFR Part 203

[Reg. C; Docket No. R-0493]

HOME MORTGAGE DISCLOSURE

Technical Amendments

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule; technical amendments.

SUMMARY: The Board is making technical amendments to Regulation C to implement changes in terminology related to the definition of metropolitan areas, recently adopted by the U.S. Office of Management and Budget. Regulation C and the Home Mortgage Disclosure Act require certain depository institutions with offices in metropolitan areas to disclose data about their home mortgage and home improvement loans each year. The changes do not affect the manner in which loan data is disclosed.

EFFECTIVE DATE: January 1, 1984.

FOR FURTHER INFORMATION CONTACT: John C. Wood, Senior Attorney, Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System, Washington, D.C. 20551 (202-452-2412).

SUPPLEMENTARY INFORMATION: (1) Explanation of amendments. Regulation C implements the Home Mortgage Disclosure Act (HMDA), 12 U.S.C. 2801 et seq., and requires depository institutions that have over \$10 million in assets and have offices in metropolitan areas to make annual disclosure of their mortgage lending activity, compiled by census tract within each metropolitan area in which they have offices.

Earlier this year, the U.S. Office of Management and Budget (OMB) made certain changes concerning "standard metropolitan statistical areas" (SMSAs). These areas will now be called "metropolitan statistical areas" (MSAs), except for areas that are recognized as part of a larger metropolitan area, which will be termed "primary metropolitan statistical areas" (PMSAs). The Home Mortgage Disclosure Act has been amended to incorporate the change in terminology.

The Board is amending Regulation C by defining the term SMSA to mean either a PMSA or an MSA, as appropriate. No revision is required to HMDA-1 (the form that institutions use to report mortgage and home improvement loan data). Technical amendments are also being made to other sections of the regulation to delete references to the U.S. Department of Commerce as the agency responsible for defining SMSAs, inasmuch as that responsibility has now been moved to OMB.

These amendments will take effect on January 1, 1984. Because the amendments are technical, the Board finds that the notice, public procedure, and deferral of effective date provisions of 5 U.S.C. 553(b) and (d) are not required.

Other changes announced by OMB concerned the boundaries of MSAs and PMSAs. The compilation of home mortgage data for Regulation C purposes is unaffected by the changes for calendar year 1983. Regulation C specifies that, for purposes of geographic itemization, institutions shall use the boundaries in effect on the first day of the calendar year for which the data are compiled. The new terminology and boundary changes took effect June 30, 1983. Thus, the first year for which data compilation will be affected by these changes will be calendar year 1984.

List of Subjects in 12 CFR Part 203

Banks, banking; Consumer protection; Federal Reserve System; Home mortgage disclosure; Mortgages; Reporting requirements.

(2) Text of amendments. Pursuant to the authority granted in 12 U.S.C. 2804(a), the Board hereby amends §§ 203.2, 203.3, and 203.4 of Regulation C (12 CFR Part 203), to read as follows:

SECTION 203.2 - DEFINITIONS

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(h) Standard metropolitan statistical area or SMSA means a metropolitan statistical area (MSA) or primary metropolitan statistical area (PMSA), as defined by the U.S. Office of Management and Budget.

SECTION 203.3 - EXEMPTIONS

(a) Asset size and location. * * *

(2) If it has neither a home office nor a branch office in a standard metropolitan statistical area (SMSA).

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SECTION 203.4 - COMPILATION OF LOAN DATA

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(d) SMSAs and census tracts. For purposes of geographic itemization --

(1) A depository institution shall use the SMSA boundaries defined by the U.S. Office of Management and Budget as of the first day of the calendar year for which the data are compiled.

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By order of the Secretary, acting for the Board of Governors pursuant to delegated authority, December 15, 1983.

(signed) William W. Wiles
William W. Wiles
Secretary of the Board