FEDERAL RESERVE BANK
OF DALLAS

WILLIAM H. WALLACE
FIRST VICE PRESIDENT
AND CHIEF OPERATING OFFICER

DALLAS, TEXAS 75222

May 20, 1988

Circular 88-35

TO: The Chief Executive Officer of all member banks and others concerned in the Eleventh Federal Reserve District

SUBJECT

Request for public comment on amendments to Regulation C which carry out provisions of the Home Mortgage Disclosure Act

DETAILS

The Federal Reserve Board has issued for public comment amendments to Regulation C (Home Mortgage Disclosure) which carry out provisions of the Home Mortgage Disclosure Act enacted earlier this year.

The proposed amendment to Regulation C calls for an expansion of the Regulation's coverage to include mortgage banking subsidiaries of bank and savings and loan holding companies, and also to savings and loan service corporations that originate or purchase mortgage loans. Until now, the act's coverage has applied only to depository institutions and their majority-owned subsidiaries.

Comments should be addressed to Mr. William W. Wiles, Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551. All correspondence should refer to Docket No. R-0635 and must be received by June 20, 1988.

ATTACHMENTS

The Board's press release and notice are attached.

MORE INFORMATION

For further information regarding the proposed amendments, please contact Dean A. Pankonien at (214) 651-6228. For additional copies of this circular, please contact the Public Affairs Department at (214) 651-6289.

Sincerely yours,

William H. Wallace

FEDERAL RESERVE press release

For immediate release May 10, 1988

The Federal Reserve Board today issued for public comment amendments to its Regulation C (Home Mortgage Disclosure) which carry out provisions of the Home Mortgage Disclosure Act enacted earlier this year. Comment is requested by June 20.

The proposed revisions call for an expansion of the Regulation's coverage to include mortgage banking subsidiaries of bank and savings and loan holding companies, and also to savings and loan service corporations that originate or purchase mortgage loans. Until now, the Act's coverage has applied only to depository institutions and their majority-owned subsidiaries.

The Board's proposed revisions also reflect Congress' recent action that extended the Act permanently.

Under the Board's Regulatory Improvement Program, the regulation has been rewritten for simplification purposes. The reporting requirements for depository institutions covered by the regulation remain unchanged. The Board's notice is attached.

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Attachment

FEDERAL RESERVE SYSTEM

[12 CFR Part 203]

[Regulation C; Docket No. R-0635]

HOME MORTGAGE DISCLOSURE

Proposed Amendments to Regulation C

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Proposed rule.

SUMMARY: The Board is publishing for public comment a revised Regulation C (Home Mortgage Disclosure). The revised regulation incorporates recent amendments to the Home Mortgage Disclosure Act (12 U.S.C. § 2801 *et seq.*) contained in section 565 of the Housing and Community Development Act of 1987 (Pub. L. 100-242, § 565, 101 Stat. 1815, 1945). These statutory amendments permanently extend the act and expand its coverage to mortgage banking subsidiaries of bank and savings and loan holding companies, and also to savings and loan service corporations that originate or purchase mortgage loans. Until now, the act's coverage has applied only to depository institutions and their majority-owned subsidiaries.

Other proposed changes to the regulation are based on a zero-based review undertaken in keeping with the Board's Regulatory Improvement Program (which calls for a periodic review of Board regulations). The changes have been made in the interest of facilitating compliance for covered institutions.

While the Board's proposal totally revises the existing regulation, the reporting requirements remain identical in substance for institutions that were covered before the Congress amended the law, with one exception. The exception relates to mortgage banking subsidiaries of depository institutions. These subsidiaries would be required, under the Board's proposal, to itemize loan data by census tract (or by county, in some instances) for property located in metropolitan statistical areas where the subsidiary has offices for taking loan applications from the public. Under current law, the subsidiary is required to itemize loan data only for an MSA where the parent institution has its home or branch offices, and reports data as an aggregate sum for loans on property located in other MSAs.

The Board proposes to retain the HMDA-1 form now used by depository institutions for reporting loan data. In addition, the Board proposes to issue a separate form, HMDA-2, for the use of the newly covered entities. A separate form is necessary

because the statutory amendments require the newly covered entities to exclude FHA loans from their data compilations, whereas depository institutions and their majority-owned subsidiaries will continue to report FHA loan data. Because some of the newly covered entities have expressed interest in making data about their FHA loan originations and purchases publicly available in some fashion, the Board is also publishing for comment an optional form, HMDA-2A, that could be used for this purpose.

DATES: Comments must be received on or before June 20, 1988.

ADDRESSES: Comments should be mailed to William W. Wiles, Secretary, Board of Governors of the Federal Reserve System, Washington, DC 20551, or delivered to the courtyard entrance on 20th Street, between C Street and Constitution Avenue, N.W., between 8:45 a.m. and 5:15 p.m. weekdays. Comments should include a reference to Docket No. R-0635. Comments may be inspected in Room B-1122 between 8:45 a.m. and 5:15 p.m. weekdays.

FOR FURTHER INFORMATION CONTACT: John C. Wood, Senior Attorney, or Thomas J. Noto, Staff Attorney, Division of Consumer and Community Affairs, at 202-452-2412 or 202-452-3667; for the hearing impaired *only*, contact Earnestine Hill or Dorothea Thompson, Telecommunications Device for the Deaf, at 202-452-3544, Board of Governors of the Federal Reserve System, Washington, DC 20551.

SUPPLEMENTARY INFORMATION: **(1)** ***Background***. The Board's Regulation C (12 CFR Part 203) implements the Home Mortgage Disclosure Act of 1975 (HMDA) (12 U.S.C. § 2801 *et seq*.). It requires depository institutions that have over $10 million in assets, and have offices in metropolitan statistical areas (MSAs) or primary metropolitan statistical areas (PMSAs), to disclose annually their originations and purchases of mortgage and home improvement loans. Data must be itemized by census tract (or by county, in some instances) and also by type of loan. A statement covering the data on a calendar year basis must be made available to the public and reported to the institution's federal supervisory agency by March 31 following the calendar year for which the data are compiled.

When originally passed in 1975, HMDA contained a "sunset" provision under which the act was to expire in 1980. A number of temporary extensions were enacted, and recently, in the Housing and Community Development Act of 1987 (Pub. L. 100-242, § 565, 101 Stat. 1815, 1945), Congress permanently extended HMDA by striking the sunset provision from the act. The statutory amendments were signed into law on February 5, 1988.

In addition to the permanent extension, the amendments in the Housing Act expanded the coverage of HMDA to include mortgage banking subsidiaries of bank holding companies and savings and loan holding companies, as well as savings and loan service corporations. The Board is now proposing amendments to Regulation C to implement these changes.

(2) ***Effective date.*** With regard to the expanded coverage of HMDA, there is some uncertainty as to the legislative intent concerning the year in which service corporations and mortgage banking subsidiaries are to begin collecting data and reporting. While it is clear that the amendments brought these institutions within the coverage of the act in 1987, it is not evident that Congress intended that they should collect and report data for that calendar year.

The Board proposes to require that these institutions collect loan data beginning with calendar year 1988; their first report would be due on March 31, 1989. This approach is consistent with existing Regulation C, which requires institutions that become subject to the regulation within a given calendar year to compile loan data beginning with the following calendar year.

(3) ***Regulatory review.*** The Board's Regulatory Improvement Program calls for periodic review of each of the Board's regulations to determine whether the regulation can be simplified. The Board has conducted such a review of Regulation C and has made a number of changes. The text of the regulation has been revised to improve clarity and readability. Obsolete provisions have been deleted, footnotes have been eliminated, and a detailed appendix regarding state exemptions has been replaced by a brief reference in the regulation. In addition, the instructions to the reporting forms have been significantly reworked and should be easier to follow.

(4) ***Availability of aggregated data.*** As required by the Home Mortgage Disclosure Act, the Federal Financial Institutions Examination Council (with support from the Federal Reserve Board and the other financial regulators) produces aggregated tables of the loan data received from all reporting institutions in each MSA. In addition, the Examination Council produces tables for each MSA showing lending patterns according to demographic characteristics (such as income level and age of housing stock). These tables, together with data on the individual institutions, are sent to central data depositories in each MSA. The act specifies that the aggregated data and related tables shall be available no later than December 31 following the calendar year to which they relate. Typically, the Examination Council has released these reports by late November or early December.

The conference report accompanying the HMDA amendments indicates Congressional interest in having the HMDA data available at the central data depositories earlier than is now the case. Member agencies of the Examination Council have identified and will implement changes to data processing procedures in order to facilitate the earlier availability of the data.

The Board believes the proposed revision of Regulation C (together with the expanded instructions for the reporting forms) will enhance compliance on the part of financial institutions. By reducing errors that require editing following the submission of reports on March 31, these changes should help ensure that the aggregated data is available earlier.

(5) ***Proposed amendments to Regulation C.*** The comment period on the revised regulation ends on June 20, 1988. Because prompt implementation of the statutory amendments is in the public interest, the Board has set this comment period in place of the 60 days called for in the Board's policy statement on rulemaking (44 FR 3957). The Board believes an abbreviated comment period is necessary to ensure that a final rule is in place as quickly as possible to provide guidance to newly covered entities.

A discussion follows of the changes made to each section of the revised regulation.

Section 203.1 -- Authority, purpose, and scope

Several changes would be made. Section 203.1(a) would be revised to reflect the deletion of section 2811 of the statute, the sunset date provision. A reference would be added to reflect the approval of information collection requirements under the Paperwork Reduction Act by the U. S. Office of Management and Budget. A reference to the act has been added to the purpose statement in section 203.1(b). Editorial changes have been made to section 203.1(c) on scope and section 203.1(d) on central data depositories (including the substitution of "depositories" for "repositories," now that the term "depository institution" is no longer used in the regulation).

Section 203.2 -- Definitions

Section 203.2 contains definitions of terms used in the regulation. The definitions of "FHA, FmHA, and VA loans" and "state" contained in current sections 203.2(d) and (g) have not been revised, but are renumbered as sections 203.2(c) and (i) because of other changes to the section. The revisions to other definitions are as follows.

Act. The definition of "act" in section 203.2(a) has been updated.

Branch office. The definition of "branch office" in section 203.2(b) would be revised. What qualifies as a branch office has several consequences for an institution. First, institutions that do not have a home or branch office in an MSA or PMSA are exempt from HMDA. Second, HMDA data must be itemized by census tract for loans on property located in any MSA or PMSA in which the institution has a home or branch office. For loans on property located in other MSAs or PMSAs (or not located in an MSA or PMSA at all), the data may be reported as an aggregate sum, with no geographic itemization. Third, the data must be made available to the public at one branch office (or home office) in each MSA or PMSA where the institution has home or branch offices. Finally, the institution must post notices, such as those made available by the Board, in all branch offices located in MSAs or PMSAs to inform the public of the availability of the HMDA data.

The revised definition takes account of the difference between the branch office structure of the newly covered mortgage banking firms and that of depository institutions such as banks and thrift institutions. While depository institutions must obtain approval from federal or state regulatory agencies to establish branch offices, mortgage banking firms generally are not required to obtain such approval.

Accordingly, the definition of branch office would differ for the two classes of institutions. The definition in revised section 203.2(b)(1)(i) applies to depository institutions; it remains the same as in the current provision and is based on the approval process. For other covered institutions, the Board proposes to define "branch office" in section 203.2(b)(1)(ii) as an office that receives applications from the public for home purchase or home improvement loans. This latter definition could also apply to mortgage banking subsidiaries of depository institutions, which are independently defined as financial institutions under section 203.2(e)(2).

Federally related mortgage loan. Banks and other depository institutions are subject to HMDA only if they make "federally related mortgage loans." The definition of that term, currently in footnote 1, has been simplified and incorporated in the text of the regulation as section 203.2(d).

Financial institution. The new definition of institutions covered by Regulation C is set forth in section 203.2(e), and replaces the definition of "depository institution" currently contained in section 203.2(c).

The existing term "depository institution" would be changed to "financial institution." This change is designed to avoid the confusion that might arise from the fact that, in ordinary usage, the term depository institution signifies entities such as banks and thrift institutions, not mortgage banking firms and other entities that do not take deposits. The definition would be revised to include both depository institutions and the new class of covered entities: savings and loan service corporations and mortgage banking subsidiaries of bank holding companies and savings and loan holding companies.

As noted above, depository institutions are subject to HMDA only if they make federally related mortgage loans. The statutory amendment does not require, as a condition of coverage, that the newly covered entities make federally related mortgage loans. The regulatory definition of "financial institution" would parallel the statute, with the "federally related loan" limitation applying only to depository institutions.

The new definition also addresses the coverage of industrial banks. Industrial banks, which are also known by other terms such as industrial loan companies or industrial loan and thrift companies, are not among the types of institutions currently referred to in the definition of "depository institution." In recent years, however, industrial banks have taken on many of the characteristics of commercial and savings banks. Some industrial banks accept time and savings deposits and offer NOW accounts; and they often use other types of savings instruments (such as thrift certificates and investment certificates) that are defined as deposits by the Depository Institutions Act of 1982 and that are eligible for FDIC insurance. Industrial banks may also become members of the Federal Reserve System. Because of these similarities, the Board proposes to revise the definition of "financial institution" to include industrial banks.

The Board also proposes to treat majority-owned subsidiaries of depository institutions as independent financial institutions for purposes of the regulation. Doing so would increase their reporting burden somewhat. Given the revised branch office definition, these subsidiaries would be required to itemize loan data for every MSA in which they have an office for taking loan applications. Treating them as independent entities, however, would produce a consistent rule for all mortgage banking subsidiaries, whether the parent is a holding company or a depository institution. Consequently, the Board proposes to define any subsidiary of a financial institution as a financial institution in its own right, in section 203.2(e)(2). (Under section 203.4(a), a subsidiary could report on a consolidated basis with the parent institution or separately.) The Board requests comment regarding the impact of the increased itemization, including any additional costs.

***Home improvement* and *home purchase loans*.** The definitions of "home improvement loan" and "home purchase loan," currently in sections 203.2(e) and (f), have been clarified and now appear as sections 203.2(f) and (g). Old footnotes 2 and 3 have been incorporated into the definition of "home improvement loan."

The parenthetical in the first sentence of existing section 203.2(f), regarding the types of dwellings to which the definition applies, has been revised to refer only to those types about which a question might arise. The second sentence, which expressly excludes from the definition temporary financing and the purchase of an interest in a pool of mortgage loans (such as mortgage participation certificates issued by the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, or the Farmers Home Administration) has been deleted. The exclusion of these particular arrangements now appears in section 203.4(c), with other excluded categories.

The current and the revised definitions of a home purchase loan are limited to loans for the purchase of "residential real property." A home improvement loan, in contrast, is defined in terms of "residential dwelling," raising questions about differences in coverage since "dwelling" may include residential structures such as mobile homes that are not classified as real property in some states. The Board requests comment on whether, in the final version of the regulation, dwelling units such as mobile or manufactured homes should be covered under either the home improvement or the home purchase loan definition, or both.

Metropolitan statistical area. The term "standard metropolitan statistical area," which is obsolete, has been replaced with the term "metropolitan statistical area" (MSA), defined in section 203.2(h). The meaning is unchanged, and includes primary metropolitan statistical areas (PMSAs).

Section 203.3 -- Exempt institutions

Section 203.3 excludes from the coverage of the regulation small institutions, institutions without offices in MSAs, and those that are subject to a similar state law and have been granted an exemption from the federal law.

The provisions of this section have been reorganized and the language clarified; the substantive rules remain unchanged. Material relating to state law exemptions has been grouped together in section 203.3(b). A new section 203.3(b)(2) has been added to indicate that a state or a financial institution may apply to the Board for an exemption from the regulation based on the existence of a similar state disclosure law. This reference replaces the detailed discussion in current Appendix B (which the Board proposes to delete) about the filing of applications for state exemptions.

Section 203.4 -- Compilation of loan data

Section 203.4 specifies loan data that is to be included in or excluded from disclosure statements. It sets forth the requirements for itemization of loan data by census tract or county and by type of loan, and is the basis for the detailed instructions that accompany the reporting forms contained in the revised Appendix A.

The provisions of this section have been revised for clarification. Obsolete material in footnotes 4, 5, 6, and 7 has been deleted, and information that is still relevant has been moved to the instructions for the reporting forms.

A provision has been added in section 203.4(a)(2) to permit mortgage banking subsidiaries of depository institutions to report either separately or on a consolidated basis with their parent institution. Currently, they are required to file a consolidated report under existing section 203.2(c), which defines "depository institution."

Section 203.4(c) lists types of loan to be excluded from the disclosures. The first six, listed in paragraph (c)(1), apply both to depository institutions and to the newly covered entities. Three of them are the exclusions listed in existing section 203.4(c). Two of the three others (temporary financing and the purchase of an interest in a pool of loans) have been moved into revised section 203.4 from the definition of "home purchase loan" in existing section 203.2(f).

The sixth exclusion applicable to all institutions is set forth in section 203.4(c)(1)(vi) and relates to the purchase of loan servicing rights. The purchase of servicing rights in secondary market transactions is a practice common among mortgage bankers. When loans are sold, for example, the buyer may issue securities backed by a pool of loans that it has acquired. The right to service the loans, however, may be retained by the seller/originator of the mortgages. These servicing rights may later be transferred from one institution to another for a purchase price that is usually a small percentage (such as 1 or 2 percent) of the value of the underlying loans.

The act and regulation require institutions to report data on mortgage loans that they purchase. The Board believes that a covered institution's purchase of these servicing rights does not accurately reflect the extent to which an institution has made mortgage credit available in a community. Accordingly, the revised regulation would exclude from the reporting requirement the purchase of servicing rights to mortgage loans.

The final exclusion, contained in section 203.4(c)(2), applies only in the case of mortgage banking subsidiaries and savings and loan service corporations. That section excludes from the reporting requirement loans that are insured under Title I or II of the National Housing Act (that is, FHA-insured home improvement and home purchase loans); it implements new section 304(g) of HMDA, which expressly provides for their exclusion. (Under section 311 of HMDA, data on FHA-insured loans made by these types of lenders is to be collected by the U.S. Department of Housing and Urban Development.) As discussed under Appendix A, the Board proposes to provide an optional form that could be used by these institutions to disclose their FHA lending activity.

Section 203.5 -- Disclosure and reporting requirements

Section 203.5 relates to making loan data available at offices of an institution and reporting the data to supervisory agencies. Changes, none of them substantive, have been made to the language and structure of this section to clarify its requirements. As under the existing provisions, disclosure statements for a given calendar year are due by the following March 31.

Section 203.6--Administrative enforcement; sanctions for violations

Section 203.6 sets forth rules relating to administrative enforcement. Minor changes to the language and structure of this section have been made to clarify its provisions.

Appendix A -- Forms and instructions

Appendix A of the current regulation, which lists supervisory agencies, has been designated as Appendix B in the revised regulation; and the current Appendix C, containing the mortgage disclosure forms, is now Appendix A.

The revised Appendix A contains two reporting forms and accompanying instructions, plus an optional form. Institutions must use the prescribed format of the appropriate form, either HMDA-1 or new HMDA-2, but they are not required to use the form itself. An institution may, for example, choose to produce a computer printout of its disclosure statement instead.

The HMDA-1 reporting form continues to be the prescribed form for use by depository institutions and their majority-owned subsidiaries. The instructions for completing the form have been expanded significantly to facilitate compliance, but the form itself remains basically unchanged except for minor revisions that do not affect the data compilation. Column headings have been changed to read "total dollar amount" instead of "principal amount," but the data to be reported in these columns remains the same. Accordingly, institutions will not have to make changes in their data processing procedures. A signature line has been added, calling for an officer of the reporting institution to certify the accuracy of the report.

A new form HMDA-2 and accompanying instructions have been added for use by the newly covered institutions. This additional form is intended to avoid confusion since these institutions will not report FHA loans. The Board proposes to provide an optional form, HMDA-2A, that may be used by mortgage banking subsidiaries and service corporations that wish to maintain a public record of their FHA lending activity. Use of the form would be entirely optional; it would not be submitted to supervisory agencies, but instead could be made available to the public at the institution's own offices along with the required HMDA data.

Appendix B -- Federal supervisory agencies

Appendix B of the current regulation contains detailed material relating to applications for state exemptions. The Board proposes deleting it to simplify the regulation. In its place, a reference to the availability of state exemptions has been added to section 203.3.

Current Appendix A, which lists enforcement agencies, has been designated as Appendix B. The Board proposes to amend the appendix by adding provisions to specify that mortgage banking subsidiaries of bank holding companies shall submit HMDA reports to the Federal Reserve System, and that savings and loan service corporations and mortgage banking subsidiaries of savings and loan holding companies shall submit them to the Federal Home Loan Bank System. This reporting arrangement is appropriate in view of the Federal Reserve's general supervisory responsibility for non-bank subsidiaries of bank holding companies. The same is true, for savings and loan service corporations and mortgage banking subsidiaries of savings and loan holding companies, as to the Federal Home Loan Bank System. Absent such specification, the supervisory agency for all of the newly covered institutions would be the Federal Deposit Insurance Corporation.

In addition, the revised appendix differentiates between federal and state savings banks, to reflect that state savings banks are under the FDIC's jurisdiction and federal savings banks under the FHLBB's jurisdiction.

(6) *Economic impact statement*. The Board's Division of Research and Statistics has prepared an economic impact statement on the proposed revisions to Regulation C. A copy of the analysis may be obtained from Publications Services, Board of Governors of the Federal Reserve System, Washington, DC 20551, at 202-452-3245.

List of Subjects in 12 CFR Part 203

Banks, Banking, Consumer protection, Federal Reserve System, Home Mortgage Disclosure, Mortgages, Reporting and recordkeeping requirements.

(7) ***Text of proposed revisions.*** Pursuant to the Board's authority under section 305(a) of the Home Mortgage Disclosure Act (12 U.S.C. 2804(a)), the Board proposes to amend 12 CFR Part 203 as follows:

1. The authority citation for Part 203 is revised to read as follows:

AUTHORITY: Home Mortgage Disclosure Act of 1975, as amended, Title III, Pub. L. 94-200, 89 Stat. 1125, *et seq.* (12 U.S.C. 2801-2810).

2. Part 203 is revised to read as follows:

PART 203 -- HOME MORTGAGE DISCLOSURE

SECTION 203.1 -- Authority, purpose, and scope.

(a) ***Authority.*** This regulation is issued by the Board of Governors of the Federal Reserve System ("Board") pursuant to the Home Mortgage Disclosure Act of 1975, as amended (12 U.S.C. 2801 *et seq.*). The information collection requirements have been approved by the U.S. Office of Management and Budget under 44 U.S.C. 3501 *et seq.* and have been assigned OMB No. 7100-0090.

(b) ***Purpose.*** (1) This regulation carries out the purposes of the Home Mortgage Disclosure Act, which is intended to provide the public with loan data that can be used:

(i) to help determine whether financial institutions are serving the housing needs of their communities; and

(ii) to assist public officials in distributing public sector investments so as to attract private investment to areas where it is needed.

(2) Neither the act nor this regulation is intended to encourage unsound lending practices or the allocation of credit.

(c) ***Scope.*** This regulation requires financial institutions, as defined in section 203.2(e), to disclose loan data at certain of their offices, and to report the data to supervisory agencies.

(d) ***Central data depositories.*** Loan data is available to the public at central data depositories located in each metropolitan statistical area. The Federal Financial Institutions Examination Council aggregates loan data for all institutions in each metropolitan statistical area, showing lending patterns by location, age of housing stock, income level, and racial characteristics. A listing of central data depositories can be obtained from the U.S. Department of Housing and Urban Development, Washington, D.C. 20410, or from any of the agencies listed in Appendix B.

SECTION 203.2 -- Definitions.

In this regulation:

(a) ***Act*** means the Home Mortgage Disclosure Act (12 U.S.C. 2801 *et seq.*).

(b) ***Branch office*** means: (1)(i) any office of a financial institution that is approved as a branch by a federal or state supervisory agency; or

(ii) for a financial institution not required to obtain approval for a branch office, any office that takes applications from the public for home purchase or home improvement loans.

(2) The term excludes free-standing automated teller machines and other electronic terminals.

(c) ***Federal Housing Authority (FHA), Farmers Home Administration (FmHA), or Veterans Administration (VA) loans*** means mortgage loans insured under Title II of the National Housing Act or Title V of the Housing Act of 1949 or guaranteed under Chapter 37 of Title 38 of the United States Code.

(d) ***Federally related mortgage loan*** means any loan (other than temporary financing such as a construction loan) secured by a first lien on a 1-to-4 family dwelling (including a condominium or a cooperative unit) that:

(1) is made by a federally insured or regulated institution;

(2) is insured, guaranteed, or supplemented by any federal agency; or

(3) will be sold to the Federal National Mortgage Association, the Government National Mortgage Association, or the Federal Home Loan Mortgage Corporation.

(e) ***Financial institution*** means: (1)(i) a commercial bank, savings bank, savings and loan association, building and loan association, homestead association (including a cooperative bank), industrial bank, or credit union that makes federally related mortgage loans;

(ii) a savings and loan service corporation that originates or purchases mortgage loans, a mortgage banking subsidiary of a savings and loan holding company, or a mortgage banking subsidiary of a bank holding company; or

(2) a majority-owned subsidiary of any financial institution.

(f) ***Home improvement loan*** means: (1) any loan, including a refinancing, that:

(i) is stated by the borrower (at the time of the loan application) to be for the purpose of repairing, rehabilitating, or remodeling a residential dwelling located in a state; and

(ii) is classified by the financial institution as a home improvement loan.

(2) In the case of a first-lien home improvement loan, an institution may categorize the loan as a home purchase loan if it normally classifies first-lien loans in this manner.

(g) ***Home purchase loan*** means any loan, including a refinancing, secured by and made for the purpose of purchasing residential real property (including condominiums or cooperatives) located in a state.

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

(i) ***State*** means any state of the United States of America, the District of Columbia, and the Commonwealth of Puerto Rico.

SECTION 203.3 -- Exempt institutions.

(a) ***Exemption based on asset size or location.*** (1) A financial institution is exempt from all requirements of this regulation if on the preceding December 31:

(i) its total assets are $10,000,000 or less; or

(ii) it has neither a home nor a branch office in an MSA.

(2) An institution that subsequently becomes subject to this regulation shall compile loan data beginning with the calendar year following the year in which it becomes subject to the regulation.

(b) ***Exemption based on state law.*** (1) A state-chartered financial institution is exempt from the requirements of this regulation if the Board determines that the institution is subject to a state disclosure law that contains requirements substantially similar to those imposed by this regulation and contains adequate provisions for enforcement.

(2) Any state, state-chartered institution, or association of such institutions may apply to the Board for an exemption under this paragraph.

(3) For purposes of data aggregation, an institution that is exempt under this paragraph shall submit the data required by the state disclosure law to its state supervisory agency.

(4) An institution that subsequently loses its state law exemption shall compile loan data in compliance with this regulation beginning with the calendar year following the year for which it last reported loan data under the state disclosure law.

SECTION 203.4 -- Compilation of loan data.

(a) ***Data to be included.*** (1) A financial institution shall compile data on the number and total dollar amount of home purchase and home improvement loans that it originates or purchases at any time during the calendar year, whether or not the loans are subsequently sold. It shall compile the data in the format prescribed in Appendix A of this regulation.

(2) A financial institution defined in section 203.2(e)(2) may report data either on a consolidated basis with its parent institution or as a separate entity.

(b) ***Itemization of data.*** A financial institution shall set forth the loan data separately for originations and purchases, and shall itemize the data by census tract or county and by type of loan, as prescribed below. It shall use the MSA boundaries, defined by the U.S. Office of Management and Budget, as of January 1 of the calendar year for which the data are compiled, and shall use the census tract maps in the most recent census tract series prepared by the U.S. Bureau of the Census.

(1) ***Geographic itemization.*** (i) For each MSA in which the institution has a home or branch office, the institution shall itemize the loan data for the MSA by the census tract in which the property purchased or improved is located, except that it shall instead itemize by county if the property is located in an area that has not been assigned census tracts or is located in a county with a population of 30,000 or less. If a census tract number is duplicated within an MSA, the institution shall also identify the tract by county, city, or town name.

(ii) The institution shall list the loan data as an aggregate sum for property located outside an MSA, or located in an MSA where the institution has neither a home nor a branch office.

(2) ***Type-of-loan itemization.*** The financial institution shall further itemize the loan data within each geographic area by loan category as follows:

(i) FHA, FmHA, and VA home purchase loans on 1-to-4 family dwellings (subject to paragraph (c)(2) of this section);

(ii) Conventional home purchase loans on 1-to-4 family dwellings;

(iii) Home improvement loans on 1-to-4 family dwellings;

(iv) Loans on dwellings for 5 or more families (including both home purchase and home improvement loans); and

(v) Loans, reported in the 1-to-4 family categories, that are made to non-occupant borrowers, but only for loans that are itemized by census tract or county.

(c) ***Data to be excluded.*** (1) A financial institution shall exclude from its compilation of loan data:

(i) loans originated or purchased by the financial institution acting in a fiduciary capacity (such as trustee);

(ii) loans on unimproved land;

(iii) refinancings in which there is no increase in the outstanding principal, if the institution and the borrower are the same parties on the loan being refinanced as on the existing loan;

(iv) temporary financing (such as bridge or construction loans);

(v) the purchase of an interest in a pool of mortgage loans (such as mortgage participation certificates); or

(vi) purchases solely of the right to service loans.

(2) A financial institution defined in section 203.2(e)(1)(ii) shall exclude FHA loans insured under Title I or II of the National Housing Act from its compilation of loan data.

SECTION 203.5 -- Disclosure and reporting requirements.

(a) ***Time requirements for disclosure statement.*** By March 31 following the calendar year for which the data are compiled, a financial institution shall:

(1) make its loan data disclosure statement available to the public, and shall continue to make it available for five years from that date; and

(2) send two copies of its statement to the agency specified in Appendix B of this regulation.

(b) ***Availability to the public.*** (1) A financial institution shall make a complete disclosure statement available at its home office; and

(2) if it has branch offices in other MSAs, shall make a statement available in at least one branch office in each of those MSAs; the statement at a branch office need only contain data relating to property located in the MSA where the branch office is located.

(3) A financial institution shall make its disclosure statement available for inspection or copying during the hours the office is normally open to the public for business. A financial institution that provides photocopying facilities may impose a reasonable charge for this service.

(c) ***Notice of availability.*** A financial institution shall post a general notice about the availability of its disclosure statement in the lobbies of its home office and any of its branch offices that are located in MSAs. Upon request, it shall promptly provide the location of the institution's offices where the disclosure statement is available.

SECTION 203.6 -- Administrative enforcement; sanctions for violations.

(a) ***Administrative enforcement.*** Compliance with the act and this regulation is enforced by the agencies listed in Appendix B of this regulation.

(b) ***Sanctions for violations.*** (1) A violation of the act or this regulation is subject to administrative sanctions as provided in section 305(c) of the act.

(2) An error in compiling or disclosing loan data is not a violation of the act or this regulation if the error was unintentional and resulted from a bona fide mistake despite the maintenance of procedures reasonably adapted to avoid such an error.

APPENDIX A - FORMS AND INSTRUCTIONS

INSTRUCTIONS TO DEPOSITORY INSTITUTIONS AND THEIR SUBSIDIARIES FOR COMPLETING FORM HMDA-1, "MORTGAGE LOAN DISCLOSURE STATEMENT"

Who Must Use This Form

1. A depository institution (and any majority-owned subsidiary of a depository institution) must complete this HMDA-1 form to disclose loan data for the current calendar year if on the preceding December 31 it:

   a. had assets of more than $10 million, and

   b. was located in a metropolitan statistical area (MSA) or a primary metropolitan statistical area (PMSA).

2. Example: If on December 31, 1987, your assets exceeded $10 million, you must compile data for all home purchase and home improvement loans that you originate or purchase during calendar year 1988.

3. Your institution need not complete this form -- even though it meets the tests on asset size and location -- if it makes no first-lien mortgage loans on 1-to-4 family dwellings during the current calendar year (the year for which the data are compiled).

4. A subsidiary of a depository institution may file a consolidated report with its parent or may file a separate report. (See "Consolidated Reporting" below.)

You must use the format of the HMDA-1 form, but you are not required to use the form itself. For example, you may produce a computer printout of your disclosure statement instead.

Who Must Use Other Forms

1. Mortgage banking subsidiaries of bank holding companies or savings and loan holding companies and savings and loan service corporations must use the form HMDA-2, instead of the HMDA-1.

2. Institutions exempted by the Federal Reserve Board because they are covered by a similar state law on mortgage loan disclosures must use the disclosure form required by their state law.

When and Where Statement is Due

1. You must send two copies of your disclosure statement to the regional office of your federal supervisory agency no later than March 31 following the calendar year for which the loan data are compiled.

2. You also must make your disclosure statement available no later than March 31 for inspection by the public at your home office and, if you have branches in other MSAs, at one branch in each of these MSAs.

Data to Be Shown

1. Show the data on home purchase and home improvement loans that you originated or purchased during the calendar year covered by the statement. Show the data on originations and purchases even if the loans were subsequently sold.

2. Show the number of loans and the total dollar amount of loans for each category on the statement. For home purchase loans that you originate, "total dollar amount" means the original principal amount of the loan. For home purchase loans that you purchase, "total dollar amount" means the unpaid principal balance of the loan at time of purchase. For home improvement loans (both originations and purchases), you may include unpaid finance charges in "total dollar amount."

3. Round all dollar amounts to the nearest thousand ($500 should be rounded up), and show in terms of thousands.

4. Report data in Part A for loans originated and in Part B for loans purchased. Complete both parts even if you have no loans to report in one of the two parts.

Data to Be Excluded

Do not report the following types of loans:

1. loans that, although secured by real estate, are made for purposes other than for home purchase or home improvement (for example, do not report a loan secured by residential real property for purposes of financing education, a vacation, or business operations);

2. loans made or purchased in a fiduciary capacity (for example, by your trust department);

3. loans on unimproved land;

4. refinancings of loans you originated if they involve no

increase in the outstanding principal (provided the borrowers remain the same);

5. construction loans and other temporary financing;

6. purchase of an interest in a pool of mortgage loans such as mortgage participation certificates; or

7. purchases solely of the right to service loans.

Geographic Itemization (Breakdown of loan data for each MSA or PMSA by census tract or county and of loan data in the outside-MSA/PMSA category).

1. MSA/PMSA. Use a separate page for compiling loan data on each MSA or PMSA in which you have a home or branch office. (See item 6 below for treatment of loans on property outside such MSAs/PMSAs). You must use the MSA/PMSA boundaries as defined by the U.S. Office of Management and Budget on January 1 of the calendar year for which the loan data are compiled.

2. Census tract or county. For loans on property that is located within one of these MSAs or PMSAs, itemize the data by the census tract in which the property is located, except that you must itemize the data by county instead of census tract when the property is located:

   a. in an area that is not divided into census tracts on the U. S. Census Bureau's census tract outline maps (see item 4 below); or

   b. in a county with a population of 30,000 or less.

   To determine population, use the Census Bureau's PC80-1-A population series.

3. Compilation. Enter the data for all loans made in a given census tract on the same line, listing the number and total dollar amount in the appropriate columns as described in the instructions for "type-of-loan itemization" below. List the census tracts in numerical sequence. Do the same for loans made in a given county.

4. Census tract maps. To determine census tract numbers, consult the U. S. Census Bureau's census tract outline maps. You may use the maps of the appropriate MSAs/PMSAs in the Census Bureau's PHC80-2 series for the 1980 census, or use equivalent census data from the Census Bureau (such as GBF/DIME files) or from a private publisher.

5. Duplicate census tract numbers. If you have a home or branch office in the New York City PMSA, note that there are duplicate census tract numbers in New York City. There may also be duplicate numbers in other MSAs or PMSAs. When reporting loan data in these cases, you must indicate the county, city, or town name in addition to the tract number.

6. Outside-MSA/PMSA. If the loans are for property that is located outside those MSAs or PMSAs in which you have a home or branch office (or outside any MSA or PMSA), report the loan data as an aggregate sum in Section 2 of the form. You do not have to itemize these loans by census tract or county (but you will have to itemize the data by type of loan, as described in the next section).

Type-of-Loan Itemization (Breakdown of each geographic grouping into loan categories -- Columns A-E).

Column A: FHA, FmHA, and VA loans on 1-to-4 family dwellings.

1. Report in Column A loans made for the purpose of purchasing residential real property for 1-to-4 families if the loans are secured by either first or junior liens and if they are insured or guaranteed by FHA, FmHA, or VA. Include refinancings (but see item 4 under "Data to be Excluded").

2. Do not include any FHA Title I (home improvement) loans in Column A; these loans are to be entered in Column C.

3. At your option, you may report in Column A any FHA, FmHA, or VA loans that are made for home improvement purposes but are secured by a first lien, if you normally classify first-lien loans as purchase loans.

Column B: Conventional home purchase loans on 1-to-4 family dwellings.

1. Report in Column B conventional loans (all loans other than FHA, FmHA, and VA loans) made for the purpose of purchasing residential real property for 1-to-4 families if the loans are secured by either first or junior liens. Include refinancings (but see item 4 under "Data to be Excluded").

2. At your option, you may report in this column any conventional loans that are made for home improvement purposes but that are secured by a first lien, if you normally classify first-lien loans as purchase loans.

Column C: Home improvement loans on 1-to-4 family dwellings.

1. Report in Column C only loans, including refinancings, that:

    a. are to be used for repairing, rehabilitating, or remodeling residential dwellings, and

    b. are recorded on your books as home improvement loans.

2. Include home equity loans or lines of credit in Column C only if they meet these two tests. Show the amount as recorded on your books.

3. Include both secured and unsecured loans.

4. You may include unpaid finance charges in the "total dollar amount."

Column D: Loans on multi-family dwellings (5 or more families).

1. Report in Column D loans on dwellings for 5 or more families.

2. Include loans for home purchase and loans for home improvement in the same column.

Column E: Non-occupant loans on 1-to-4 family dwellings.

1. Report in Column E any home purchase and home improvement loans on 1-to-4 family dwellings (listed in columns A, B, and C) that were made to borrowers who indicated at the time of the loan application that they did not intend to use the property as a principal dwelling.

2. Do not complete Column E for loans that you report under Section 2 (Loans on All Property Located Elsewhere), in either Part A (Originations) or Part B (Purchases).

3. In completing Part B, you may assume that a loan purchase does not fall within this non-occupant category, unless your records contain information to the contrary.

Consolidated Reporting

1. If you are the subsidiary of a depository institution, you may merge your loan data into a joint report with your parent or prepare a separate report.

2. Whether you prepare a joint or a separate report, you must give the geographic breakdown for loans on property within MSAs or PMSAs based on the location of the offices at which you take loan applications from the public, rather than based on where your parent has home or branch offices.

3. Example: If your parent has branches in the New York City PMSA but all your loan offices are in Philadelphia, you will itemize data by census tract (or county) only for the Philadelphia PMSA. You will show loan data as an aggregate sum for loans on property located outside the Philadelphia MSA -- even if the property is in New York City.

MORTGAGE LOAN DISCLOSURE STATEMENT, FORM HMDA-1
FOR USE BY: • DEPOSITORY INSTITUTIONS
• SUBSIDIARIES OF DEPOSITORY INSTITUTIONS

OMB No. 710-0090
Approval expires June 1990
This report is required by law (12 USC 2801-2810 and 12 CFR 203)

Part A—Originations   Report for loans made in 19___

Control Number (agency use only)

Reporting Institution

Name

Address

Enforcement Agency for this Institution

Name

Address

MSA/PMSA (location of property)

Name

Number

Section 1—Loans on Property Located within those MSAs/PMSAs in which Institution has Home or Branch Offices

CENSUS TRACT (in numerical sequence) Where Property Located or COUNTY (name) Where Property Located	Loans on 1-to-4 Family Dwellings						Loans on Multi-family Dwellings for 5 or More Families (home purchases and home improvement)		Non occupant Loans on 1 to 4 Family Dwellings from columns A, B and C	
	Home Purchase Loans				Home Improvement Loans					
	FHA, FmHA, and VA A		Conventional B		C		D		E	
	No. of Loans	Total Dollar Amount (thousands)	No. of Loans	Total Dollar Amount (thousands)	No. of Loans	Total Dollar Amount (thousands)	No. of Loans	Total Dollar Amount (thousands)	No. of Loans	Total Dollar Amount (thousands)
MSA/PMSA TOTAL										

Section 2—Loans on All Property Located Elsewhere

Name of Certifying Officer

Name of Person Completing Form

Telephone Number (Include Area Code and Extension)

MORTGAGE LOAN DISCLOSURE STATEMENT, FORM HMDA-1
FOR USE BY: • DEPOSITORY INSTITUTIONS
• SUBSIDIARIES OF DEPOSITORY INSTITUTIONS

Part B—Purchases **Report for loans made in 19___**

Control Number (agency use only)

Reporting Institution	**Enforcement Agency for this Institution**	**MSA/PMSA (location of property)**
Name	Name	Name
Address	Address	Number

Section 1—Loans on Property Located within those MSAs/PMSAs in which Institution has Home or Branch Offices

CENSUS TRACT (in numerical sequence) Where Property Located or COUNTY (name) Where Property Located	Loans on 1-to-4 Family Dwellings						Loans on Multi-family Dwellings for 5 or More Families (home purchases and home improvement)		Non-occupant Loans on 1-to-4 Family Dwellings from columns A, B and C	
	Home Purchase Loans				Home Improvement Loans					
	FHA, FmHA, and VA A		Conventional B		C		D		E	
	No. of Loans	Total Dollar Amount (thousands)	No. of Loans	Total Dollar Amount (thousands)	No. of Loans	Total Dollar Amount (thousands)	No. of Loans	Total Dollar Amount (thousands)	No. of Loans	Total Dollar Amount (thousands)
MSA/PMSA TOTAL										

Section 2—Loans on All Property Located Elsewhere

Name of Certifying Officer	Name of Person Completing Form	Telephone Number (include Area Code and Extension)

INSTRUCTIONS TO MORTGAGE BANKING SUBSIDIARIES OF HOLDING COMPANIES AND TO SAVINGS AND LOANS SERVICE CORPORATIONS FOR COMPLETING FORM HMDA-2, "MORTGAGE LOAN DISCLOSURE STATEMENT"

Who Must Use This Form

1. Mortgage banking subsidiaries of bank holding companies and of savings and loan holding companies, and savings and loan service corporations that originate or purchase mortgage loans, must complete this HMDA-2 form to disclose loan data for the current calendar year if on the preceding December 31 they:

   a. had assets of more than $10 million,

   b. were located in a metropolitan statistical area (MSA) or a primary metropolitan statistical area (PMSA).

2. Example: If on December 31, 1987, your assets exceeded $10 million, you must compile data for all home purchase and home improvement loans that you originate or purchase during calendar year 1988.

You must use the format of the HMDA-2 form, but you are not required to use the form itself. For example, you may produce a computer printout of your disclosure statement instead.

Who Must Use Other Forms

1. Depository institutions and their subsidiaries must use the form HMDA-1, instead of the HMDA-2.

2. Institutions exempted by the Federal Reserve Board because they are covered by a similar state law on mortgage loan disclosures must use the disclosure form required by their state law.

When and Where Statement is Due

1. You must send two copies of your disclosure statement to the regional office of your federal supervisory agency no later than March 31 following the calendar year for which the loan data were compiled.

2. You also must make your disclosure statement available no later than March 31 for inspection by the public at your home office and, if you have branches in other MSAs, at one branch in each of these MSAs.

Data to Be Shown

1. Show the data on home purchase and home improvement loans that you originated or purchased during the calendar year covered by the statement. Show the data on loan originations and purchases even if the loans were subsequently sold.

2. Show both the number of loans and the total dollar amount of loans for each category on the statement. For home purchase loans that you originate, "total dollar amount" means the original principal amount of the loan. For home purchase loans that you purchase, "total dollar amount" means the unpaid principal balance of the loan at time of purchase. For home improvement loans (both originations and purchases), you may include unpaid finance charges in "total dollar amount."

3. Round all dollar amounts to the nearest thousand ($500 should be rounded up), and show in terms of thousands.

4. Report data in Part A for loans originated and in Part B for loans purchased. Complete both parts even if you have no loans to report in one of the two parts.

Data to Be Excluded

Do not report the following types of loans:

1. loans that, although secured by real estate, are made for purposes other than for home purchase or home improvement (for example, do not report a loan secured by residential real property for purposes of financing education, a vacation, or business operations);

2. loans made or purchased in a fiduciary capacity;

3. loans on unimproved land;

4. refinancings of loans you originated if they involve no increase in the outstanding principal (provided the borrowers remain the same);

5. construction loans and other temporary financing;

6. purchase of an interest in a pool of mortgage loans such as mortgage participation certificates;

7. purchases solely of the right to service loans; or

8. FHA home purchase and home improvement loans. At your option, you may record FHA Loans on the form HMDA-2A, "Optional Record for FHA Loans."

Geographic Itemization (Breakdown of loan data for each MSA or PMSA by census tract or county and of loan data in the outside-MSA/PMSA category).

1. MSA/PMSA. Use a separate page for compiling loan data on each MSA or PMSA in which you have a home or branch office. (See item 6 below for treatment of loans on property outside such MSAs/PMSAs). You must use the MSA/PMSA boundaries as defined by the U.S. Office of Management and Budget on January 1 of the calendar year for which the loan data are compiled.

2. Census tract or county. For loans on property that is located within one of these MSAs or PMSAs, itemize the data by the census tract in which the property is located, except that you must itemize the data by county instead of census tract when the property is located

   a. in an area that is not divided into census tracts on the U. S. Census Bureau's census tract outline maps (see item 4 below); or

   b. in a county with a population of 30,000 or less.

   To determine population, use the Census Bureau's PC80-1-A population series.

3. Compilation. Enter the data for all loans made in a given census tract on the same line, listing the number and total dollar amount in the appropriate columns as described in the instructions for "type-of-loan itemization" below. List the census tracts in numerical sequence. Do the same for loans made in a given county.

4. Census tract maps. To determine census tract numbers, consult the U. S. Census Bureau's census tract outline maps. You may use the maps of the appropriate MSAs/PMSAs in the Census Bureau's PHC80-2 series for the 1980 census, or use equivalent census data from the Census Bureau (such as GBF/DIME files) or from a private publisher.

5. Duplicate census tract numbers. If you have a home or branch office in the New York City PMSA, note that there are duplicate census tract numbers in New York City. There may also be duplicate numbers in other MSAs or PMSAs. When reporting loan data in these cases, you must indicate the county, city, or town name in addition to the tract number.

6. Outside-MSA/PMSA. If the loans are for property that is located outside those MSAs or PMSAs in which you have a home

or branch office (or outside any MSA or PMSA), report the loan data as an aggregate sum in Section 2 of the form. You do not have to itemize the loans by census tract or county; but you will have to itemize the data by type of loan, as described in the next section.

Type-of-Loan Itemization (Breakdown of each geographic grouping into loan categories -- Columns A-E).

Column A: FmHA and VA loans on 1-to-4 family dwellings.

1. Report in Column A loans made for the purpose of purchasing residential real property for 1-to-4 families if the loans are secured by either first or junior liens and if they have FmHA or VA insurance or guarantee. Include refinancings (but see item 4 under "Data to be Excluded").

2. At your option, you may report in Column A any FmHA or VA loans that are made for home improvement purposes but are secured by a first lien, if you normally classify first-lien loans as purchase loans.

3. Do not report FHA loans in Column A. At your option, you may record FHA loans on the form HMDA-2A, "Optional Record of FHA Loans."

Column B: Conventional home purchase loans on 1-to-4 family dwellings.

1. Report in Column B conventional loans (all loans other than FmHA and VA loans) made for the purpose of purchasing residential real property for 1 to 4 families if the loans are secured by either first or junior liens. Include refinancings (but see item 4 under "Data to be Excluded").

2. At your option, you may report in this column any conventional loans that are made for home improvement purposes but are secured by a first lien, if you normally classify first-lien loans as purchase loans.

Column C: Home improvement loans on 1-to-4 family dwellings.

1. Report in Column C only loans, including refinancings, that
   a. are to be used for repairing, rehabilitating, or remodeling residential dwellings, and

   b. are recorded on your books as home improvement loans.

2. Include home equity loans or lines of credit in Column C only if they meet these two tests. Show the amount as recorded on your books.

3. Include both secured and unsecured loans.

4. You may include unpaid finance charges in the "total dollar amount."

5. Do not report FHA loans in Column C. At your option, you may report FHA loans on the form HMDA-2A, "Optional Record of FHA Loans."

Column D: Loans on multi-family dwellings (5 or more families).

1. Report in Column D all loans on dwellings for 5 or more families, including both loans for home purchase and loans for home improvement.

2. Do not report FHA loans in Column D. At your option, you may report FHA loans on the form HMDA-2A, "Optional Record of FHA Loans."

Column E: Non-occupant loans on 1-to-4 family dwellings.

1. Report in Column E any home purchase and home improvement loans on 1-to-4 family dwellings (listed in columns A, B, and C) that were made to borrowers who indicated at the time of the loan application that they did not intend to use the property as a principal dwelling.

2. Do not complete Column E for loans that you report under Section 2 (Loans on All Property Located Elsewhere), in either Part A (Originations) or Part B (Purchases).

3. In completing Part B, you may assume that a loan purchase does not fall within this non-occupant category, unless your records contain information to the contrary.

MORTGAGE LOAN DISCLOSURE STATEMENT, FORM HMDA-2

FOR USE BY: • MORTGAGE BANKING SUBSIDIARIES OF HOLDING COMPANIES
• SAVINGS AND LOAN SERVICE CORPORATIONS

OMB No ______
Approval expires ______
This report is required by law (12 USC 2801-2810 and 12 CFR 203)

Part A—Originations   Report for loans made in 19___

Control Number (agency use only)

|_|_|_|_|_|_|_|_|-|_|_|_|_|-|_|

Reporting Institution

____
Name

____
Address

____
Name of Parent Company

Enforcement Agency for this Institution

____
Name

____
Address

MSA/PMSA (location of property)

____
Name

____
Number

Section 1—Loans on Property Located within those MSAs/PMSAs in which Institution has Home or Branch Offices

CENSUS TRACT (in numerical sequence) Where Property Located or COUNTY (name) Where Property Located	Loans on 1-to-4 Family Dwellings						Loans on Multi-family Dwellings for 5 or More Families (home purchases and home improvement)		Non-occupant Loans on 1-to-4 Family Dwellings from columns A, B and C	
	Home Purchase Loans				Home Improvement Loans					
	FmHA and VA A		Conventional B		C		D		E	
	No. of Loans	Total Dollar Amount (thousands)	No. of Loans	Total Dollar Amount (thousands)	No. of Loans	Total Dollar Amount (thousands)	No. of Loans	Total Dollar Amount (thousands)	No. of Loans	Total Dollar Amount (thousands)
MSA/PMSA TOTAL										

Section 2—Loans on All Property Located Elsewhere

____
Name of Certifying Officer

____
Name of Person Completing Form

____
Telephone Number (Include Area Code and Extension)

MORTGAGE LOAN DISCLOSURE STATEMENT, FORM HMDA-2

FOR USE BY: • MORTGAGE BANKING SUBSIDIARIES OF HOLDING COMPANIES

• SAVINGS AND LOAN SERVICE CORPORATIONS

Part B—Purchases Report for loans made in 19___

Control Number (agency use only)

Reporting Institution

Name

Address

Name of Parent Company

Enforcement Agency for this Institution

Name

Address

MSA/PMSA (location of property)

Name

Number

Section 1—Loans on Property Located within those MSAs/PMSAs in which Institution has Home or Branch Offices

CENSUS TRACT (in numerical sequence) Where Property Located or COUNTY (name) Where Property Located	Loans on 1-to-4 Family Dwellings						Loans on Multi family Dwellings for 5 or More Families (home purchases and home improvement)		Non occupant Loans on 1 to 4 Family Dwellings from columns A, B and C	
	Home Purchase Loans				Home Improvement Loans					
	FmHA and VA A		Conventional B		C		D		E	
	No. of Loans	Total Dollar Amount (thousands)	No. of Loans	Total Dollar Amount (thousands)	No. of Loans	Total Dollar Amount (thousands)	No. of Loans	Total Dollar Amount (thousands)	No. of Loans	Total Dollar Amount (thousands)
MSA/PMSA TOTAL										

Section 2—Loans on All Property Located Elsewhere

Name of Certifying Officer

Name of Person Completing Form

Telephone Number (include Area Code and Extension)

INSTRUCTIONS TO MORTGAGE BANKING SUBSIDIARIES OF HOLDING COMPANIES AND TO SAVINGS AND LOAN SERVICE CORPORATIONS FOR COMPLETING FORM HMDA-2A, "OPTIONAL RECORD OF FHA LOANS"

Who May Use This Form

Mortgage banking subsidiaries of bank or saving and loan holding companies are not required to report data on FHA Title I (home improvement) or FHA Title II (home purchase) loans. At their option, however, they may record FHA loans on form HMDA-2A and make the form available to the public along with their HMDA-2 disclosure statement.

Data to be Shown

1. For loans that you originate, see the instructions that are provided for the form HMDA-2 under "Geographic Itemization." Report the number and total dollar amount of FHA home purchase loans in Column 1 and FHA home improvement loans in Column 2. Include loans on both 1-to-4 family dwellings and multi-family dwellings.

2. For loans that you purchase, see the instructions that are provided for the form HMDA-2 under "Geographic Itemization." Report the number and total dollar amount of FHA home purchase loans in Column 3 and FHA home improvement loans in Column 4. Include loans on both 1-to-4 family dwellings and multi-family dwellings.

OPTIONAL MORTGAGE LOAN DISCLOSURE STATEMENT, FORM HMDA-2A

FOR USE BY: • MORTGAGE BANKING SUBSIDIARIES OF HOLDING COMPANIES
• SAVINGS AND LOAN SERVICE CORPORATIONS

Record of FHA loans made in 19__

Institution

Name

Address

Name of Parent Company

Enforcement Agency for this Institution

Name

Address

MSA/PMSA (Location of property)

Name

Number

Section 1 — Loans on Property Located within those MSAs/PMSAs in which Institution has Home or Branch Offices

CENSUS TRACT (in numerical sequence) Where Property Located or COUNTY (name) Where Property Located	FHA Loans Originated				FHA Loans Purchased			
	Home Purchase Loans 1		Home Improvement Loans 2		Home Purchase Loans 3		Home Improvement Loans 4	
	# of Loans	Total Dollar Amount	# of Loans	Total Dollar Amount	# of Loans	Total Dollar Amount	# of Loans	Total Dollar Amount
MSA/PMSA Total								

Section 2 — Loans on All Property Located Elsewhere

APPENDIX B -- FEDERAL SUPERVISORY AGENCIES

The following list indicates the federal agency responsible for compliance by classes of institutions. Questions should be directed to the appropriate agency.

National Banks

Comptroller of the Currency
Office of Customer and Community Programs
Washington, D.C. 20219

State Member Banks and Mortgage Banking Subsidiaries of Bank Holding Companies

Federal Reserve Bank serving the district in which the state member bank or mortgage banking subsidiary is located.

Nonmember Insured Banks (except for Federal Savings Banks)

Federal Deposit Insurance Corporation Regional Director for the region in which the bank is located.

Savings Institutions Insured by the FSLIC, Mortgage Banking Subsidiaries of Savings and Loan Holding Companies, Savings and Loan Service Corporations, and Members of the FHLB System (except for State Savings Banks insured by FDIC)

The Federal Home Loan Bank Board Supervisory Agent in the district in which the institution is located.

Credit Unions

Office of Consumer Affairs
National Credit Union Administration
1776 G Street, N.W.
Washington, D.C. 20456

Other Financial Institutions

Federal Deposit Insurance Corporation Regional Director for the region in which the institution is located.

By order of the Board of Governors of the Federal Reserve System, May 9, 1988.

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

FEDERAL RESERVE BANK OF DALLAS
STATION K
DALLAS, TEXAS 75222

RETURN POSTAGE GUARANTEED

BULK RATE
U.S. POSTAGE
PAID
DALLAS, TEXAS
Permit No. 151