



FEDERAL RESERVE BANK  
OF DALLAS

ROBERT D. McTEER, JR.  
PRESIDENT  
AND CHIEF EXECUTIVE OFFICER

January 7, 1992

DALLAS, TEXAS 75222

Notice 92-03

**TO:** The Chief Executive Officer of each member bank and others concerned in the Eleventh Federal Reserve District

**SUBJECT**

Request for Comments on Proposed Revisions to the Official Staff Commentary on Regulation B (Equal Credit Opportunity)

**DETAILS**

The Federal Reserve Board has issued for public comment proposed revisions to the Official Staff Commentary on Regulation B (Equal Credit Opportunity). The proposed interpretations address an issue involving the relationship between Regulation B and Regulation C (which implements the Home Mortgage Disclosure Act) with regard to data collection on loan applications received by creditors through brokers or other persons.

The Board must receive comments by February 14, 1992. Comments should be addressed to William W. Wiles, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, N.W., Washington, D.C. 20551. All comments should refer to Docket No. EC-1.

**ATTACHMENT**

A copy of the Board's notice (Federal Reserve System Docket No. EC-1) is attached.

**MORE INFORMATION**

For more information, please contact Dean Pankonien at (214) 651-6228. For additional copies of this Bank's notice, please contact the Public Affairs Department at (214) 651-6289.

Sincerely yours,

*Robert D. McTeer, Jr.*

**FEDERAL RESERVE SYSTEM**

**12 CFR Part 202**

**[Reg. B; EC-1]**

**EQUAL CREDIT OPPORTUNITY**

**Proposed Update to Official Staff Commentary**

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Proposed official staff interpretation.

**SUMMARY:** The Board is publishing for comment proposed revisions to the official staff commentary to Regulation B (Equal Credit Opportunity). The commentary applies and interprets the requirements of Regulation B and is a substitute for individual staff interpretations of the regulation. The revisions clarify an issue involving the relationship between Regulation B and Regulation C (which implements the Home Mortgage Disclosure Act) with regard to data collection on loan applications received by creditors through brokers or other persons. While data collection on such applications is not required for purposes of Regulation B, it may be called for under Regulation C.

**DATE:** Comments must be received on or before February 14, 1992.

**ADDRESS:** Comments should refer to Docket No. EC-1 and be sent to William W. Wiles, Secretary, Board of Governors of the Federal Reserve System, Washington, DC 20551. Comments may also be delivered to the guard station in the Eccles Building courtyard entrance on 20th Street NW (between Constitution Avenue and C

Street, NW) between 8:45 and 5:15 weekdays. All comments received at the above address will be available for inspection and copying by any member of the public in the Freedom of Information Office, Room B-1122 of the Eccles Building, between 9:00 a.m. and 5:00 p.m. weekdays. The Board requests that, if possible, comments be submitted using a standard type face with a type size of 10 or 12 pitch in double-spaced text. This will enable the Board to more efficiently convert comments into an automated format.

**FOR FURTHER INFORMATION CONTACT:** In the Division of Consumer and Community Affairs, Adrienne D. Hurt, Senior Attorney, at (202) 452-2412; for the hearing impaired only, contact Dorothea Thompson, Telecommunications Device for the Deaf (TDD), at (202) 452-3544, Board of Governors of the Federal Reserve System, Washington, DC 20551.

**SUPPLEMENTARY INFORMATION:**

**(1) General**

The Equal Credit Opportunity Act (ECOA), 15 U.S.C. §1691-1691f, makes it unlawful for creditors to discriminate in any aspect of a credit transaction on the basis of gender, marital status, race, color, religion, national origin, age, receipt of public assistance, or the exercise of rights under the Consumer Credit Protection Act. This statute is implemented by the Board's Regulation B (12 CFR Part 202). The Board also has an official staff commentary (12 CFR Part 202 (Supp. I)) that interprets the regulation. The commentary provides general

guidance to creditors in applying the regulation to various credit transactions, and is updated periodically to address significant questions that arise.

**(2) Proposed Revisions**

**Section 202.5 -- Rules Concerning Taking of Applications**

**5(b) General Rules Concerning Requests for Information**

Comment 5(b)(2)-3 would be added primarily to indicate that loan brokers, correspondents, or other persons do not violate the ECOA or Regulation B if they collect information that they would otherwise be prohibited from collecting under the regulation for the purpose of providing the information to a creditor subject to the Home Mortgage Disclosure Act (HMDA), 12 U.S.C. §§2801-2810.

**SECTION 202.13 -- Information for Monitoring Purposes**

**13(b) Obtaining of Information**

Comment 13(b)-4 would be revised to indicate that even though creditors need not obtain the monitoring information for purposes of section 202.13 of Regulation B, when accepting an application through an unaffiliated loan-shopping service, data collection may nonetheless be required for creditors subject to HMDA.

**List of Subjects in 12 CFR Part 202**

Banks; Banking; Civil rights; Consumer protection; Credit; Federal Reserve System; Marital status discrimination; Minority groups; Penalties; Religious discrimination; Sex discrimination; Women.

Pursuant to authority granted in section 703 of the Equal Credit Opportunity Act (15 U.S.C. §1691b), the Board is amending the official staff commentary to Regulation B (12 CFR 202 Supp. I) as follows:

1. The authority citation for Part 202 continues to read as follows:

Authority: 15 U.S.C. §1691-1691f

2. In section 202.5(b)(2), comment 3 would be added to read as follows:

SECTION 202.5 -- Rules Concerning Taking of Applications

\* \* \* \* \*

5(b) General Rules Concerning Requests for Information

\* \* \* \* \*

Paragraph 5(b)(2)

\* \* \* \* \*

>3. Collecting information on behalf of creditors. Loan brokers, correspondents, or other persons do not violate the ECOA or Regulation B if they collect information that they are otherwise prohibited from collecting, where the purpose of collecting the information is to provide it to a creditor that is subject to the Home Mortgage Disclosure Act, or another federal or state statute or regulation requiring data collection.<

\* \* \* \* \*

3. In section 202.13(b), comment 4 would be revised to read as follows:

Section 202.13 -- Information for Monitoring Purposes

\* \* \* \* \*

13(b) Obtaining of Information

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4. Applications through loan-shopping services. When a creditor accepts an application through an unaffiliated loan-shopping service, it does not have to request the monitoring information[.] >for purposes of the ECOA or Regulation B. Creditors subject to the Home Mortgage Disclosure Act should be aware, however, that data collection may be called for under Regulation C which requires creditors to report, among other things, the sex, and race or national origin of an applicant on brokered applications or applications received through a correspondent.<

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Board of Governors of the Federal Reserve System,  
December 12, 1991.

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