TO:  The Chief Executive Officer of each financial institution and others concerned in the Eleventh Federal Reserve District

SUBJECT

Final Rule Amending the
Staff Commentary to Regulation C
(Home Mortgage Disclosure)

DETAILS

The Board of Governors of the Federal Reserve System has published a final rule amending the staff commentary that interprets the requirements of Regulation C (Home Mortgage Disclosure). The Board is required to adjust annually the asset-size exemption threshold for depository institutions based on the annual percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers.

The present adjustment reflects changes for the twelve-month period ending in November 2000. During this period, the index increased by 3.4 percent. As a result, the threshold has been increased to $31 million. Thus, depository institutions with assets of $31 million or less as of December 31, 2000, are exempt from data collection in 2001.

ATTACHMENT

A copy of the Board’s notice as it appears on page 80735, Vol. 65, No. 247 of the Federal Register dated December 22, 2000, is attached.

MORE INFORMATION

For more information, please contact Eugene Coy, (214) 922-6201, in the Banking Supervision Department. For additional copies of this Bank’s notice, contact the Public Affairs Department at (214) 922-5254 or access District Notices on our web site at http://www.dallasfed.org/banking/notices/index.html.
Federal Reserve System

12 CFR Part 203
[Regulation C; Docket No. R–1093]

Home Mortgage Disclosure

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule; staff commentary.

SUMMARY: The Board is publishing a final rule amending the staff commentary that interprets the requirements of Regulation C (Home Mortgage Disclosure). The Board is required to adjust annually the asset-size exemption threshold for depository institutions based on the annual percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers. The present adjustment reflects changes for the twelve-month period ending in November 2000. During this period, the index increased by 3.4 percent; as a result, the threshold is increased to $31 million. Pursuant to this section, the Board raised the threshold to $30 million for 1999 data collection, and kept it at that level for data collection in 2000.

During the period ending November 2000, the CPIW increased by 3.4 percent. As a result, the threshold is increased to $31 million. Thus, depository institutions with assets of $31 million or less as of December 31, 2000, are exempt from data collection in 2001.

EFFECTIVE DATE: January 1, 2001. This rule applies to all data collection in 2001.

FOR FURTHER INFORMATION CONTACT: Kathleen C. Ryan, Senior Attorney, Division of Consumer and Community Affairs, at (202) 452–3667; for users of Telecommunications Device for the Deaf (TDD) only, contact Janice Simms at (202) 872–4984.

SUPPLEMENTARY INFORMATION: The Home Mortgage Disclosure Act (HMDA; 12 U.S.C. 2801 et seq.) requires most mortgage lenders located in metropolitan areas to collect data about their housing-related lending activity. Annually, lenders must file reports with their federal supervisory agencies and make disclosures available to the public. The Board’s Regulation C (12 CFR part 203) implements HMDA.

Provisions of the Economic Growth and Regulatory Paperwork Reduction Act of 1996 (codified at 12 U.S.C. 2808(b)) amended HMDA to expand the exemption for small depository institutions. Prior to 1997, HMDA exempted depository institutions with assets totaling $10 million or less, as of the preceding year end. The statutory amendment increased the asset-size exemption threshold by requiring a one-time adjustment of the $10 million figure based on the percentage by which the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPIW) for 1996 exceeded the CPIW for 1975, and provided for annual adjustments thereafter based on the annual percentage increase in the CPIW. The one-time adjustment increased the exemption threshold to $28 million for 1997 data collection.

Section 203.3(a)(1)(ii) of Regulation C provides that the Board will adjust the threshold based on the year-to-year change in the average of the CPIW, not seasonally adjusted, for each twelve-month period ending in November, rounded to the nearest million. Pursuant to this section, the Board raised the threshold to $30 million for 1999 data collection, and kept it at that level for data collection in 2000.

For the reasons set forth in the preamble, the Board amends 12 CFR part 203 as follows:

PART 203—HOME MORTGAGE DISCLOSURE (REGULATION C)

1. The authority citation for part 203 continues to read as follows:


2. In Supplement I to part 203, under Section 203.3—Exempt Institutions, under 3(a) Exemption based on location, asset size, or number of home-purchase loans, paragraph 2 is revised to read as follows:

Supplement I to Part 203—Staff Commentary

Section 203.3 Exempt Institutions

3(a) Exemption based on location, asset size, or number of home-purchase loans.

2. Adjustment of exemption threshold for depository institutions. For data collection in 2001, the asset-size exemption threshold is $31 million. Depository institutions with assets at or below $31 million are exempt from collecting data for 2001.

By order of the Board of Governors of the Federal Reserve System, acting through the Director of the Division of Consumer and Community Affairs under delegated authority, December 19, 2000.

Jennifer J. Johnson, Secretary of the Board.

[FR Doc. 00–32749 Filed 12–21–00; 8:45 am]

BILLING CODE 6210–01–P