

FEDERAL RESERVE BANK
OF NEW YORK

Circular No. 8399
August 8, 1978

HOME MORTGAGE DISCLOSURE
Connecticut Exemption from Requirements of the Home Mortgage Disclosure
Act of 1975 and Regulation C

*To All Institutions Subject to the Home Mortgage Disclosure Act of 1975,
and Others Concerned, in the Second Federal Reserve District:*

Following is the text of a statement issued by the Board of Governors of the Federal Reserve System:

The Board of Governors of the Federal Reserve System today [August 3] approved an exemption from the requirements of the Federal Home Mortgage Disclosure Act and the Board's Regulation C for State-chartered banks and other depository institutions in Connecticut.

The exemption will apply to State-chartered depositories that are subject to the Connecticut Home Mortgage Disclosure Act and the related regulations of the Connecticut Banking Department.

The Federal HMDA authorizes the Board to exempt State-chartered institutions subject to a State law imposing requirements substantially similar to the Federal law and with adequate provision for enforcement.

The exemption will become effective September 11, 1978.

Printed on the reverse side is the text of the Board of Governor's Order, effective September 11, 1978, approving the exemption for Connecticut. Questions regarding this matter may be directed to our Consumer Affairs Division (Tel. No. 212-791-5921).

PAUL A. VOLCKER,
President.

(Over)

[Reg. C; Docket No. R-0143]
**ORDER APPROVING EXEMPTION APPLICATION UNDER HOME MORTGAGE
DISCLOSURE ACT OF 1975**
Connecticut

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final order of exemption.

SUMMARY: The Board hereby exempts from the disclosure requirements of the Home Mortgage Disclosure Act of 1975 and its implementing Regulation C all Connecticut-chartered depository institutions that are subject to the Connecticut Home Mortgage Disclosure Act.

EFFECTIVE DATE: September 11, 1978.

FOR FURTHER INFORMATION CONTACT: Anne Geary, Chief Staff Attorney, Division of Consumer Affairs, Board of Governors of the Federal Reserve System, Washington, D.C. 20551 (202-452-2761).

SUPPLEMENTARY INFORMATION: On April 24, 1978, the Board published in the *Federal Register* (43 FR 17402) notice of an application by the State of Connecticut for exemption from the disclosure requirements of the Home Mortgage Disclosure Act of 1975 (12 U.S.C. 2801-2809) as implemented by Regulation C (12 CFR 203). The application was filed pursuant to section 306(b) of the Act (12 U.S.C. 2805(b)) and § 203.3(a)(3) of, and the Supplement to, Regulation C (12 CFR 203.3(a)(3) and 203 Supplement) and was based upon the requirements of the Connecticut Home Mortgage Disclosure Act (Pub. Act No. 77-153 (May 20, 1977)) and the implementing regulations of the Connecticut Banking Department.

The Board received two comments on the application, from the Federal Reserve Banks of New York and Boston; both recommended that the exemption be granted.

ORDER

The Connecticut Bank Commissioner, on behalf of the State of Connecticut, has applied for an exemption on the ground that the Connecticut act and regulations impose requirements substantially similar to those imposed by the Federal act and regulations and that they include adequate provisions for enforcement of those requirements.

In reviewing an application for exemption, the Board is directed to consider two primary factors (12 U.S.C. 2805(b)). First, the Board must determine whether the State's laws impose disclosure requirements which are substantially similar to those imposed by the Federal act. Second, the Board must consider whether

State law contains adequate provisions for enforcement of those requirements.

Examination of the Connecticut act and regulations indicates that they impose substantially the same disclosure requirements as the Federal act and Regulation C. The data required to be disclosed and the format in which it is to be disclosed are virtually identical under the Connecticut and Federal laws. While there are minor differences, the Board has determined that they do not affect the substantial similarity between the Federal and State laws with respect to the requirements imposed by the Federal act.

With regard to enforcement, the Connecticut act provides for the issuance of cease and desist orders and the imposition of monetary penalties in appropriate cases for violation of its provisions. The Bank Commissioner is authorized to conduct investigations into alleged violations, hold hearings, and issue subpoenas. Institutions are required to file the disclosure statements with the Bank Commissioner, in addition to making them available to the public.

On the basis of the record, the Board finds that the Connecticut act imposes disclosure requirements that are substantially similar to those imposed under the Federal act and that the Connecticut act contains adequate provisions for enforcement of those requirements. Accordingly, the application is hereby approved and all Connecticut-chartered bank and trust companies, savings banks, building and loan associations, savings and loan associations, and credit unions that are subject to the Connecticut Home Mortgage Disclosure Act and the implementing regulations of the Connecticut Banking Department are hereby exempted, effective September 11, 1978, from the data compilation and disclosure requirements of the Home Mortgage Disclosure Act, as implemented by §§ 203.4 and 203.5 of Regulation C. This determination is subject to the provisions of paragraph (e) of the Supplement to Regulation C. Pursuant to that paragraph, the Board reserves the right to revoke any exemption if at any time it determines that applicable State law in fact does not impose requirements that are substantially similar to those imposed under the Home Mortgage Disclosure Act or that such law does not contain adequate provisions for enforcement. As required by paragraph (b)(4) of the Supplement, the applicant undertakes to inform the Board of any change in the State law or regulation within 30 days of such change.

By order of the Board of Governors, August 2, 1978.