

**FEDERAL RESERVE BANK  
OF NEW YORK**

[ Circular No. 10510  
January 15, 1992 ]

**EQUAL CREDIT OPPORTUNITY**

**Proposed Change in Regulation B Staff Commentary  
Regarding Data Collection Under Home Mortgage Disclosure Act**

Comment Requested by February 14

*To All Depository Institutions, 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 Federal Reserve Board has issued for public comment proposed revisions to its staff commentary to 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.

Comment is requested by February 14, 1992.

Printed on the following pages is the text of the Board's official notice in this matter, as submitted for publication in the *Federal Register*; additional, single copies may be obtained at this Bank (33 Liberty Street) from the Issues Division on the first floor, or by contacting the Circulars Division (Tel. No. 212-720-5215 or 5216). Comments thereon should be submitted by February 14, and may be sent to the Board, as indicated in the notice, or to our Compliance Examinations Department.

E. GERALD CORRIGAN,  
*President.*

## 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

\* \* \* \* \*

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.<

\* \* \* \* \*

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

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