

AT 10584

**FEDERAL RESERVE BANK  
OF NEW YORK**

October 13, 1992

**1991 Home Mortgage Disclosure Statements**

*To the Chief Executive Officer of each Depository Institution  
in the Second Federal Reserve District:*

Enclosed is a copy of a statement issued by the Federal Financial Institutions Examination Council (FFIEC) announcing the availability of certain data relating to 1991 mortgage lending activities in metropolitan areas throughout the U.S. The data, which are to be made publicly available by individual depository institutions, consist of individual disclosure statements for each lender covered by the Home Mortgage Disclosure Act. The Act requires each lending institution to make its statement available for public inspection.

Questions concerning this matter may be directed to Barbara A. Kenlaw, FFIEC, 2100 Pennsylvania Avenue, Suite 200, Washington, D.C. 20037, or to the institution's own primary regulatory agency at the telephone number indicated on page 5 of the enclosed statement. At this Bank, questions may be directed to the Community Affairs Unit of our Compliance Examinations Department (Tel. No. 212-720-5921).

CHESTER B. FELDBERG,  
*Executive Vice President.*



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# Press Release

For immediate release

September 22, 1992

The Federal Financial Institutions Examination Council (FFIEC) today announced that data relating to 1991 mortgage lending activity in metropolitan areas throughout the nation are available from individual institutions. The data consist of individual disclosure statements for each lender covered by the Home Mortgage Disclosure Act (HMDA).

Last year, the HMDA reports of 1990 lending activity contained -- for the first time -- data on home loan applications denied (as well as on originated and purchased loans), and data on the race, sex, and income level of borrowers and applicants. The data reported for 1990 showed significant differences in loan denial rates among racial and ethnic groups. Preliminary review of the raw data for 1991 shows continuing disparities. Specific information about these differences will become available in late October when the FFIEC completes the aggregation of the data by metropolitan areas and for the nation as a whole.

The 1991 HMDA data cover more than nine thousand lenders and the reports reflect more than 7.8 million loan and application records. The FFIEC prepared the statements for disclosure by individual institutions on behalf of its member agencies -- the

(revised)



Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, the National Credit Union Administration, and the Federal Reserve System -- and the U.S. Department of Housing and Urban Development.

Copies of individual disclosure statements were sent to reporting institutions during August, with the exception of approximately 200 reporters who have not received their statements because of processing difficulties. HMDA requires lending institutions to make the statements available to the public after a 30-day review period that runs from the date the institution receives the statement. For most institutions, public inspection begins the week of September 21.

Some institutions discovered errors in the statements they received and reported the errors to their supervisory agencies. The FFIEC is now in the process of making necessary data corrections. These institutions are expected to make their statements public even when corrections are being made, unless the supervisory agency has advised them, in writing, to do otherwise.

When the revision process is completed at the end of September, the FFIEC will prepare aggregate data and revised individual disclosure statements for all HMDA-covered lenders by metropolitan statistical area (MSA). Reports are expected to be available for public inspection at a central depository in each MSA beginning the week of October 26. Microfiche of the

disclosure statements and aggregate reports, along with an index, will be sent to each central depository. In addition, the Government Printing Office will distribute microfiche to its Federal Depository Libraries.

The FFIEC will make the HMDA data available to the public in a variety of other formats beginning in October. A public version of the loan application register (LAR) data on magnetic tape will be available beginning October 26; orders will be accepted in advance to be filled on that date. In early 1993, the FFIEC will make the LAR data available on PC diskettes by MSA.

To ensure high quality data, the agencies have implemented a comprehensive error identification and resolution program. This program identifies invalid, as well as possibly correct but questionable, submissions. As the agencies gain more experience with the expanded HMDA data, new edits are being developed. For example, the agencies are working with the General Accounting Office to develop an expanded set of edits for multifamily loans, to provide better quality data in this category.

The expanded HMDA data have strengthened the examination process by providing an added means for detecting possible discrimination. Examiners use the data to monitor compliance with fair lending laws and to assess institution performance under the Community Reinvestment Act. Agencies are developing more advanced analytical tools and training for examiners to further enhance the examination process.



In addition, the agencies are collaborating on a major investigative study, conducted by the Federal Reserve Bank of Boston. Using financial and demographic information from more than 4,000 mortgage applications in the Boston metropolitan area, the study will examine the bases for loan denials to determine how much of the difference in the rates of loan denial among blacks, Hispanics, and whites is accounted for by financial factors -- such as assets, debt, and credit history -- that are not reflected in the HMDA data.

To alert mortgage lenders to subtle forms of discrimination that may take place in the mortgage application process, the FFIEC published a brochure last March entitled *Home Mortgage Lending and Equal Treatment*. The brochure highlights some mortgage lending standards and practices that may have unintended discriminatory effects and suggests ways to avoid them.

An article to be published in the *Federal Reserve Bulletin* for November 1992 will provide preliminary analyses of the 1991 data. The article also will give an overview of 1991 data evaluation, regulatory initiatives, and practical applications among the public and private sector that have occurred since the release of the 1990 data last October.

Questions regarding this press release should be directed to Barbara A. Kenlaw, FFIEC, 2100 Pennsylvania Avenue, Suite 200, Washington, DC 20037.

Specific agency related questions should be directed to the following:

Federal Reserve Board - HMDA Assistance Line  
(202) 452-2016

Federal Deposit Insurance Corporation - Office of Consumer Affairs  
(202) 898-3536

Office of Thrift Supervision - Specialized Programs  
(202) 906-6000

Office of the Comptroller of the Currency - Compliance Management  
(202) 874-4446

National Credit Union Administration - Office of Examination  
(202) 682-9640

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