

**FEDERAL RESERVE BANK
OF NEW YORK**

[Circular No. **10613**]
[January 11, 1993]

**HOME MORTGAGE DISCLOSURE
Proposed Amendments to Regulation C**

Comments Due January 29

*To All Depository Institutions in the Second
Federal Reserve District, and Others Concerned:*

The following statement has been issued by the Board of Governors of the Federal Reserve System:

The Federal Reserve Board has issued for public comment a proposal to amend Regulation C, which carries out the Home Mortgage Disclosure Act (HMDA), to incorporate new statutory provisions.

The Housing and Community Development Act of 1992 contains amendments to HMDA that will require financial institutions to make their loan application register data available to the public beginning March 31, 1993. This register must be modified in accordance with Board regulations before release to the public.

The Act also requires institutions to make their disclosure statement available to the public within three business days of receiving it from the Federal Financial Institutions Examinations Council. Currently, they have 30 days to do so.

The revised rules will apply beginning with loan and application data collected for calendar year 1992.

Comment on the proposal is requested by January 29, 1993.

Printed on the following pages is the text of the Board's proposal, as published in the *Federal Register* of January 4. Comments thereon should be submitted by January 29, and may be sent to the Board, as specified in the notice, or to our Compliance Examinations Department.

E. GERALD CORRIGAN,
President.

Proposed Rules

Federal Register

Vol. 58, No. 1

Monday, January 4, 1993

This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

FEDERAL RESERVE SYSTEM

12 CFR Part 203

[Docket No. R-0789; Regulation C]

Home Mortgage Disclosure; Proposed Regulatory Amendments

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Proposed rule.

SUMMARY: The Board is publishing for comment a proposal to amend Regulation C, which implements the Home Mortgage Disclosure Act, to incorporate new statutory provisions. The Housing and Community Development Act of 1992 contains amendments that will require financial institutions to make their loan application register data available to the public beginning March 31, 1993; the register must be modified in accordance with Board regulations before release to the public. The act also requires institutions to make their disclosure statement—as compiled by the Federal Financial Institutions Examination Council—available to the public within three business days of receiving it from the Examination Council; they currently have 30 days to do so. The revised rules will apply to the disclosure of the loan and application data collected for calendar year 1992.

DATES: Comments must be received on or before January 31, 1993.

ADDRESSES: Comments should refer to Docket No. R-0789 and be mailed to William W. Wiles, Secretary, Board of Governors of the Federal Reserve System, Washington, DC 20551. They may also be delivered to the guard station in the Eccles Building Courtyard on 20th Street, NW. (between Constitution Avenue and C Street, NW.) between 8:45 a.m. and 5:15 p.m. weekdays. Except as provided in § 261.8 of the Board's rules regarding the availability of information (12 CFR 261.8), comments received 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 a.m. and 5 p.m. weekdays.

FOR FURTHER INFORMATION CONTACT: Jane Jensen Gell or W. Kurt Schumacher, Staff Attorneys, or John C. Wood, Senior Attorney, Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System, Washington, DC 20551, at (202) 452-2412 or (202) 452-3667. For the hearing impaired only, contact Dorothea Thompson, Telecommunications Device for the Deaf (TDD), at (202) 452-3544.

SUPPLEMENTARY INFORMATION:

(1) Background

The Home Mortgage Disclosure Act (HMDA) requires certain depository and nondepository mortgage lenders that have offices in metropolitan areas to disclose their housing-related lending activity each year. The Housing and Community Development Act of 1992 (Pub. L. 102-550, 106 Stat. 3672) amends HMDA in several respects. The statutory amendments require institutions to make modified versions of their loan application registers available to the public; the modified registers must be available before April 1 for requests made on or before March 1 following the year for which the data are compiled, and within 30 days for requests made after March 1. The amendments require the Board to specify deletions or modifications from institutions' registers needed to protect the privacy interest of any applicant or borrower, and to protect an institution from liability under federal or state privacy laws.

HMDA and Regulation C currently require financial institutions to make their mortgage loan disclosure statement publicly available no later than 30 calendar days after they receive the statement from their supervisory agency. The statutory revisions amend HMDA to require institutions to make the disclosure statement publicly available, upon request, within three business days after receiving it from the Federal Financial Institutions Examination Council (FFIEC).

The statutory provisions contain additional amendments relating to the time periods within which the federal supervisory agencies must make disclosure statements and aggregate tables available to financial institutions and the public. The statute requires that

for data collected in 1993, disclosure statements must be publicly available for September 1, 1994. The aggregate data that are compiled by the FFIEC are to be publicly available (in central data depositories) before December 1, 1994. For data collected in 1994 and subsequent years, federal supervisory agencies must make every effort to ensure that disclosure statements are publicly available before July 1, and aggregate disclosure reports before September 1, following the year for which the data are compiled. In addition, the statutory revisions make various other amendments to HMDA that are discussed below.

The comment period ends on January 31, 1993. Because prompt implementation of the statutory amendments is in the public interest, the Board has set a 30-day comment period in place of the 60 days normally called for in the Board's policy statement on rulemaking (44 FR 3957, January 19, 1979). The Board believes an abbreviated comment period is necessary to ensure that a final rule is in place as quickly as possible to provide guidance to covered lenders.

In accordance with section 3507 of the Paperwork Reduction Act of 1980 (44 U.S.C. ch. 35; 5 CFR 1320.13), the proposed revisions will be reviewed by the Board under the authority delegated to the Board by the Office of Management and Budget after consideration of the comments received during the public comment period.

(2) Summary of Proposed Regulatory Amendments

The following discussion summarizes the proposed amendments to Regulation C section by section. Heading changes and certain other changes that are self-evident are not discussed.

Section 203.5 Disclosure and Reporting

Section 203.5(a) Reporting to Agency

The Board proposes to revise this section to require institutions to retain copies of their complete loan application register for a minimum period of three years, not two years as presently required. This change is consistent with the provisions in the new law (see proposed § 203.5(d)).

Section 203.5(b) Public Disclosure of Statement

The statutory revisions require institutions to make their disclosure statement publicly available, upon request, no later than three business days after they receive the statement from the FFIEC. The Board proposes to incorporate this requirement into this subsection, in lieu of the current 30 calendar days for public data availability. However, the Board proposes to limit the three-business day requirement for availability to the institution's home office. Because of the need for duplication and distribution, many institutions could find it difficult to make disclosure statements available in a branch office in other MSAs within three business days after receipt. Therefore, the Board proposes that institutions have ten business days in which to make their disclosure statements available in these MSAs. The Board solicits comments on this proposed timing.

Section 203.5(c) Public Disclosure of Loan Application Register

The statutory revisions require institutions to make their loan application registers available to the public upon request, and require the Board to specify deletions or modifications from institutions' registers to protect the privacy interests of applicants and borrowers, and to protect institutions from liability under federal or state privacy laws. The Board proposes to add this new subsection to reflect this requirement. The three items to be deleted (application or loan number, date application received, and date of action taken) are specified in the instructions to the HMDA-LAR found in appendix A; they correspond to the items specified by the statutory amendments.

The proposed language also incorporates the statutorily mandated time periods by which an institution must make its modified register publicly available.

Section 203.5(d) Availability of Data

The proposed revisions to paragraph (d) reflect the amendments to the statute requiring that modified loan application register information be retained by institutions and made publicly available for a period of three years. The Board proposes to use the existing rule concerning the availability of disclosure statements at the branch office level as the rule governing the availability of an institution's modified register data.

The Board also proposes to incorporate language from the statutory

amendments regarding the imposition of fees by an institution for providing or reproducing the modified loan application register or the disclosure statement.

Appendix A to Part 203—Form and Instructions for Completion of HMDA Loan/Application Register

III. Submission of HMDA-LAR and Public Release of Data

D. Availability of disclosure statement. The proposal would incorporate the new rule discussed above that an institution must make its disclosure statement available at its home office within three business days of receiving it from the FFIEC. The Board proposes to specify that disclosure statements must be made available in at least one branch office in each additional MSA within ten business days after receipt from the FFIEC. As mentioned above, the Board solicits comment on this proposed timing. As an alternative, the Board solicits comment on the feasibility of specifying that copies of disclosure statements must be made available at the applicable branch offices, upon request, within a "reasonable time" of an institution's receipt of the statements from the FFIEC.

E. Availability of modified loan application register. Paragraph 1 of this subsection would incorporate the requirement in the new provisions that the Board specify deletions or modifications from an institution's register to protect the privacy interests of applicants and borrowers. (See also the proposed revisions to § 203.5(c).) The deletions that the Board proposes to require are specified by the newly enacted statute. These items are those that the FFIEC presently deletes prior to the public release of the edited raw data that it makes available.

F. Location and format of disclosed data. The statutory amendments encourage institutions to make their modified register data available in census tract order, and allow the public release of this information (and of disclosure statements) in any media—including hard copy or in automated form—that is not prohibited by the Board. The statute makes clear, however, that aside from making the specified deletions, institutions are not required to change the format of the data from that used by institutions to internally maintain this information. The Board's proposed paragraph F. in the appendix reflects these statutory provisions.

Additionally, the revisions to HMDA require institutions' disclosure

statements to be accompanied by a clear and conspicuous notice that the statement is subject to final review and revision, if necessary. Given that the FFIEC compiles the disclosure statements of financial institutions for public release by the institutions, the Board proposes that the FFIEC add this notice on the disclosure statements, thereby eliminating the need for financial institutions to supply the notice.

As mentioned in the supplementary information to § 203.5(d) above, the Board proposes to use the existing rule concerning the availability of disclosure statements at the branch office level as the rule for availability of an institution's modified register data.

(3) Form of Comment Letters

Comment letters should refer to Docket No. R-0789. The Board requests that, when possible, comments be prepared using a standard typeface with a type size of 10 or 12 characters per inch. This will enable the Board to convert the text into machine-readable form through electronic scanning, and will facilitate automated retrieval of comments for review. Comments may also be submitted on 3½ inch or 5¼ inch computer diskettes in any IBM-compatible DOS-based format, but must be accompanied by an original document in paper form.

(4) Regulatory Flexibility Analysis

HMDA does not cover small depository institutions (those with assets of \$10 million or less), or small nondepository mortgage lenders (those with fewer than 100 home purchase loan originations and assets of \$10 million or less). HMDA also exempts from coverage institutions that have neither a home nor a branch office in an MSA. Covered institutions currently must provide their loan/application registers to their supervisory agencies by March 1 for the preceding calendar year. Any incremental burden caused by this proposal would result from the requirement that these registers be modified prior to public release in the manner proposed by the Board. Small financial institutions will likely have fewer modifications to make to their registers (based on their fewer numbers of reportable transactions). This proposal is not expected to have a significant impact on the costs of small institutions.

(5) List of Subjects in 12 CFR Part 203

Banks, banking, Federal Reserve System, Mortgages, Reporting and recordkeeping requirements.

(6) Text of Proposed Revisions

For the reasons set forth in this proposed rule and pursuant to the Board's authority under section 305(a) of the Home Mortgage Disclosure Act (12 U.S.C. 2804(a)), the Board proposes to amend Regulation C, Home Mortgage Disclosure (12 CFR part 203), as set forth below.

Certain conventions have been used to highlight the proposed changes to the regulation and the instructions. Language to be added is shown inside bold-faced arrows, while language that would be removed appears within bold-faced brackets. The Board is publishing only those sections of the regulation and instructions that would be affected by the changes.

PART 203—HOME MORTGAGE DISCLOSURE

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

Authority: 12 U.S.C. 2801–2810.

2. Section 203.5 would be amended by redesignating paragraphs (c) and (d) as (d) and (e), by adding a new paragraph (c), and by revising paragraphs (a) through (e) to read as follows:

§ 203.5 Disclosure and reporting.

(a) **Reporting to agency.** By March 1 following the calendar year for which the loan data are compiled, a financial institution shall send two copies of its complete **loan application** register to the agency office specified in appendix A of this regulation, and shall retain a copy for its records for a period of not less than **three** [two] years.

(b) **Public disclosure of statement [to the public].** A financial institution shall make its mortgage loan disclosure statement (to be prepared by the Federal Financial Institutions Examination Council) available to the public **at its home office** no later than **three business** [30 calendar] days after the institution receives it from its supervisory agency **or from the Examination Council. The disclosure statement also shall be made available in at least one branch office in each additional MSA where the institution has offices, within ten business days after the institution receives it.** [The financial institution shall make the statement available to the public for a period of five years.]

(c) Public disclosure of loan application register. A financial institution shall make its loan application register available to the public at its home office after modifying it in accordance with appendix A. An

institution shall make its modified register available following the calendar year for which the data are compiled, by March 31 for a request received on or before March 1, and within 30 days for a request received after March 1. The modified register also shall be made available in at least one branch office in each additional MSA where the institution has offices.

(d) [(c)] Availability of data [disclosure statement]. A financial institution shall make **its modified register available for a period of three years and its disclosure statement available for a period of five years.** [the disclosure statement available at its home office. If it has a physical branch office in other MSAs, the institution shall also make a statement available in at least one branch office in each of those MSAs; the statement] **The statement and register** at a branch office need only contain data relating to property in the MSA where that branch office is located. An institution shall make the **data** [disclosure statement] available for inspection and copying during the hours the office is normally open to the public for business. It may impose a reasonable **fee for providing or reproducing the data** [charge for photocopying services].

(e) [(d)] Notice of availability. A financial institution shall post a general notice about the availability of its disclosure statement in the lobbies of its home office and any physical branch offices located in an MSA. Upon request, it shall promptly provide the location of the institution's offices where the statement is available. At its option, an institution may include the location in its notice.

3. Appendix A to part 203 would be amended by revising the heading of section III., by revising subsection III.D., and by adding new subsections III.E., F., and G., to read as follows:

Appendix A to Part 203—Form and Instructions for Completion of HMDA Loan/Application Register

* * * * *

III. Submission of HMDA-LAR and Public Release of Data [Disclosure Statements]

* * * * *

(D. Availability of disclosure statement. The Federal Financial Institutions Examination Council (FFIEC) will prepare a disclosure statement from the data you submit. Your disclosure statement will be returned to the name and address indicated on the transmittal sheet. Within three business days of receiving your disclosure statement, you must make a copy available at your home office for inspection by the public. You also must make your disclosure statement available, within ten business days after receipt of the statement from the

FFIEC, in at least one branch office in each additional MSA where you have offices.

E. Availability of modified loan application register.

1. To protect the privacy of applicants and borrowers, an institution must modify its loan application register before release to the public by removing the following information: the application or loan number, date application received, and date of action taken.

2. A financial institution must make its modified register available following the calendar year for which the data are compiled, by March 31 for a request received on or before March 1, and within 30 days for a request received after March 1.

F. Location and format of disclosed data.

You must make a complete copy of your disclosure statement and your modified register available to the public at your home office. You may make these data available in hard copy or in automated form (such as by floppy disk or computer tape). Although you are encouraged to make your modified loan application register available to the public in census-tract order, you are not required to do so. In addition, if you have physical branch offices in other MSAs, you must make available in at least one branch office in each of those MSAs either a complete copy of the disclosure statement and of the modified register, or the portion of each that relates to properties in that MSA.

G. Posters. Your agency can provide you with HMDA posters that you can use to inform the public of the availability of your disclosure statement, or you may print your own posters.

[D. The Federal Financial Institution Examination Council (FFIEC) will prepare a disclosure statement from the data you submit. Your disclosure statement will be returned to the name and address indicated on the transmittal sheet. When you receive that disclosure statement you must make a copy available for inspection by the public within 30 calendar days of the date the statement is received by your institution. You must make a complete copy available at your home office. If you have physical branch offices in other MSAs, you must make available, in at least one branch office in each of those MSAs, either the complete statement or the portion of the statement relating to that MSA.

Your agency can provide you with HMDA posters that you can use to inform the public of the availability of your disclosure statement, or you may print your own posters.]

* * * * *

By order of the Board of Governors of the Federal Reserve System, December 28, 1992.

William W. Wiles,

Secretary of the Board.

[FR Doc. 92-31871 Filed 12-31-92; 8:45 am]

BILLING CODE 0210-01-M

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 71

[Airspace Docket No. 92-ANM-21]

Proposed Alteration of Jet Route J-151; WA

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking.

SUMMARY: This notice proposes to alter the description of Jet Route J-151 by extending the route segment between Whitehall, MT, VHF Omnidirectional Range/Tactical Air Navigation (VORTAC) direct to Spokane, WA, VORTAC. Currently, there is no jet route from Whitehall, MT, direct to Spokane, WA. This jet route extension would enhance traffic flow and reduce controller workload.

DATES: Comments must be received on or before February 16, 1993.

ADDRESSES: Send comments on the proposal in triplicate to: Manager, Air Traffic Division, ANM-500, Docket No. 92-ANM-21, Federal Aviation Administration, 1601 Line Avenue, Southwest, Renton, WA 98055-4056.

The official docket may be examined in the Rules Docket, Office of the Chief Counsel, room 916, 800 Independence Avenue, SW., Washington, DC, weekdays, except Federal holidays, between 8:30 a.m. and 5 p.m.

An informal docket may also be examined during normal business hours at the office of the Regional Air Traffic Division.

FOR FURTHER INFORMATION CONTACT: Norman W. Thomas, Airspace and Obstruction Evaluation Branch (ATP-240), Airspace-Rules and Aeronautical Information Division, Air Traffic Rules and Procedures Service, Federal Aviation Administration, 800 Independence Avenue, SW., Washington, DC 20591; telephone: (202) 267-9230.

SUPPLEMENTARY INFORMATION:**Comments Invited**

Interested parties are invited to participate in this proposed rulemaking by submitting such written data, views, or arguments as they may desire. Comments that provide the factual basis supporting the views and suggestions presented are particularly helpful in developing reasoned regulatory decisions on the proposal. Comments are specifically invited on the overall regulatory, aeronautical, economic, environmental, and energy-related

aspects of the proposal.

Communications should identify the airspace docket number and be submitted in triplicate to the address listed above. Commenters wishing the FAA to acknowledge receipt of their comments on this notice must submit with those comments a self-addressed, stamped postcard on which the following statement is made:

"Comments to Airspace Docket No. 92-ANM-21." The postcard will be date/time stamped and returned to the commenter. All communications received on or before the specified closing date for comments will be considered before taking action on the proposed rule. The proposal contained in this notice may be changed in light of comments received. All comments submitted will be available for examination in the Rules Docket both before and after the closing date for comments. A report summarizing each substantive public contact with FAA personnel concerned with this rulemaking will be filed in the docket.

Availability of NPRM's

Any person may obtain a copy of this Notice of Proposed Rulemaking (NPRM) by submitting a request to the Federal Aviation Administration, Office of Public Affairs, Attention: Public Inquiry Center, APA-220, 800 Independence Avenue, SW., Washington, DC 20591, or by calling (202) 267-3485.

Communications must identify the notice number of this NPRM. Persons interested in being placed on a mailing list for future NPRM's should also request a copy of Advisory Circular No. 11-2A which describes the application procedure.

The Proposal

The FAA is considering an amendment to part 71 of the Federal Aviation Regulations (14 CFR part 71) to alter Jet Route J-151 by extending this route from Whitehall, MT, to Spokane, WA. Currently, there is no direct jet route segment between these points. This extension would enhance traffic flow and reduce controller workload. Jet routes are published in Section 71.607 of FAA Order 7400.7A dated November 2, 1992, and effective November 27, 1992, which is incorporated by reference in 14 CFR 71.1. The jet route listed in this document would be published subsequently in the Order.

The FAA has determined that this proposed regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. It, therefore—(1) is not a "major rule"

under Executive Order 12291; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule, when promulgated, will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 71

Aviation safety, Incorporation by reference, Jet routes.

The Proposed Amendment

In consideration of the foregoing, the Federal Aviation Administration proposes to amend 14 CFR part 71 as follows:

PART 71—[AMENDED]

1. The authority citation for 14 CFR part 71 continues to read as follows:

Authority: 49 U.S.C. app. 1348(a), 1354(a), 1510; E.O. 10854, 24 FR 9565, 3 CFR, 1959-1963 Comp., p. 389; 49 U.S.C. 106(g); 14 CFR 11.69.

§ 71.1 [Amended]

2. The incorporation by reference in 14 CFR 71.1 of the Federal Aviation Administration Order 7400.7A, Compilation of Regulations, dated November 2, 1992, and effective November 27, 1992, is amended as follows:

Section 71.607 Jet routes.

* * * * *

J-151 [Revised]

From Cross City, FL; Vulcan, AL; INT Vulcan 335° and Farmington, MO, 139° radials; Farmington; St. Louis, MO; Des Moines, IA; O'Neill, NE; Rapid City, SD; Billings, MT; INT Billings 266° and Whitehall, MT, 103° radials; to Spokane, WA.

* * * * *

Issued in Washington, DC, on December 21, 1992.

Harold W. Becker,

Manager, Airspace-Rules and Aeronautical Information Division.

[FR Doc. 92-31908 Filed 12-31-92; 8:45 am]

BILLING CODE 4910-13-M