

## Press Releases

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September 12, 2007

### OTS 07-064 - Federal Financial Regulatory Agencies Announce Availability of 2006 HMDA Data

#### Office of Thrift Supervision

FOR RELEASE at 11:00 A.M. EDT

For further information

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Contact: William Ruberry

OTS 07-064

202/906-6677

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#### Joint Release

**Board of Governors of the Federal Reserve System  
Federal Deposit Insurance Corporation  
Office of the Comptroller of the Currency  
Office of Thrift Supervision  
National Credit Union Administration**

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### Federal Financial Regulatory Agencies Announces Availability of 2006 HMDA Data

Washington, D.C. -- The Federal Financial Institutions Examination Council (FFIEC) today announced the availability of 2006 data on mortgage lending transactions at 8,886 financial institutions covered by the Home Mortgage Disclosure Act (HMDA) in metropolitan statistical areas (MSAs) throughout the nation. Covered institutions include, but are not limited to, banks, savings associations, credit unions, and independent mortgage companies. The HMDA data made available today cover lending activity--applications for loans, loan originations, and purchases of loans--from 2006.

The data include disclosure statements for each financial institution, aggregate data for each MSA, nationwide summary statistics regarding lending patterns, and the Loan Application Register (LAR), modified for borrower privacy, submitted by each institution to its supervisory agency. The FFIEC prepares and distributes these data products on behalf of its member agencies (Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, National Credit Union Administration, Office of the Comptroller of the Currency, and Office of Thrift Supervision) and the Department of Housing and Urban Development.

The HMDA data show disposition of loan applications (for example, originated or denied) detailed by property location, applicant characteristics (such as race, ethnicity, sex, and income), and census tract characteristics (minority composition and income). The data also reflect information about loan prices; whether a loan is subject to HOEPA (the Home Ownership and Equity Protection Act); whether a loan or application relates to manufactured housing; and whether a loan is secured by a first or subordinate lien, or is unsecured. (More information about HMDA data reporting requirements is available in the FAQs, questions 9-18, on the FFIEC web site, at [www.ffiec.gov/hmda/faq.htm](http://www.ffiec.gov/hmda/faq.htm).)

Loan price data in HMDA, first made available in 2005, add to available information about the higher-priced segment of the mortgage market. The growth of this segment has afforded many consumers greater access to credit. But it also has heightened concerns about the terms, the cost and the availability of credit to minority applicants and borrowers, and about lending practices in minority neighborhoods. Differences in the incidence of higher-priced lending (that is, the proportion of loans where the spread between the loan's annual percentage rate (APR) and the yield on comparable-maturity Treasury securities exceeds specified thresholds) between racial and ethnic groups continued in 2006. These differences continue to raise concerns about compliance with fair lending laws.

The HMDA data can facilitate the fair lending examination and enforcement process and can promote market transparency. When examiners for the federal banking agencies evaluate an institution's fair lending risk, they analyze HMDA price data in conjunction with other information and risk factors, as directed by the Interagency Fair Lending Examination Procedures ([www.ffiec.gov/PDF/fairlend.pdf](http://www.ffiec.gov/PDF/fairlend.pdf)). Risk factors for pricing discrimination include, but are not limited to, the relationship between loan pricing and compensation of loan officers or brokers; the presence of broad pricing discretion; and consumer complaints.

The HMDA data alone cannot be used to determine whether a lender is complying with fair lending laws. They do not include many potential determinants of loan pricing, such as the borrower's credit history, debt-to-income ratio, and the loan-to-value ratio. This is why, when the federal banking agencies conduct examinations involving loan pricing, they collect additional information before reaching a determination regarding institutions' compliance with fair lending laws.

**How to obtain FFIEC-prepared HMDA data:** Financial institution disclosure statements, individual institutions' LAR data, and MSA and nationwide aggregate reports are available today on the FFIEC web site ([www.ffiec.gov/hmda](http://www.ffiec.gov/hmda)). Data reports can also be ordered from the FFIEC. An order form describing the available reports, prices, and formats is attached and also can be found at [www.ffiec.gov/hmda/orderform.htm](http://www.ffiec.gov/hmda/orderform.htm).

Financial institutions are required to make their disclosure statements available at their home offices and, for other MSAs in which they have offices, either to make a copy of the statements available at one branch per MSA or to provide a copy upon written request. Questions about a HMDA report for a specific institution should be directed to the institution's supervisory agency at the number listed below:

Federal Deposit Insurance Corporation -- 877-275-3342; hearing impaired -- 800/925-4618  
Board of Governors of the Federal Reserve System, HMDA Assistance Line -- 202-452-2016  
National Credit Union Administration, Office of Examination and Insurance -- 703-518-6360  
Office of the Comptroller of the Currency, Compliance Policy Division -- 202-874-4428  
Office of Thrift Supervision, HMDA Hotline -- 202-906-6342  
Department of Housing and Urban Development, Office of Housing -- 202-755-7530.

Information about the examination process and other fair lending supervision and enforcement activities of the federal banking agencies can be found in testimony each agency recently delivered before Congress, available at [http://www.house.gov/apps/list/hearing/financialsvcs\\_dem/ht072507.shtml](http://www.house.gov/apps/list/hearing/financialsvcs_dem/ht072507.shtml).

#### **Data on Private Mortgage Insurance**

The FFIEC also provides data from the nation's eight private mortgage insurance (PMI) companies. The 2006 PMI data include information on approximately 1.4 million applications for mortgage insurance, comprised of about 984,000 applications to insure home purchase mortgages, and about 374,000 applications to insure mortgages to refinance existing obligations. These data are also available today--at individual PMI companies and from the

FFIEC ([www.ffiec.gov/reports.htm](http://www.ffiec.gov/reports.htm))--in the same types of reports and in the same formats as the HMDA data.

Attachment:

HMDA Data Order Form and Item Description - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2007-64a.pdf>

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The FFIEC was established in March 1979 to prescribe uniform principles, standards, and report forms and to promote uniformity in the supervision of financial institutions. The Council has six voting members: the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Office of the Comptroller of the Currency, the Office of Thrift Supervision, and the State Liaison Committee. The Council's activities are supported by interagency task forces and by an advisory State Liaison Committee, comprised of five representatives of state agencies that supervise financial institutions.