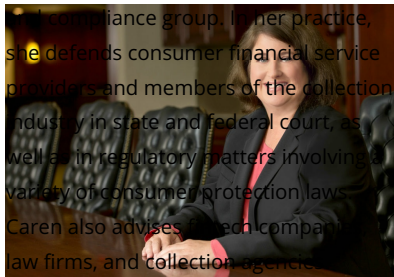


What We Know

ARTICLES & INSIGHTS

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and compliance group. In her practice, she defends consumer financial service providers and members of the collection industry in state and federal court, as well as in regulatory matters involving a variety of consumer protection laws. Caren also advises a broad range of law firms, and collection agencies regarding an array of consumer finance issues. An active writer and speaker, Caren currently serves as chair of the Debt Collection Practices and Bankruptcy subcommittee for the American Bar Association's Consumer Financial Services Committee. She is also a member of the Defense Bar for the National Creditors Bar Association, the North Carolina State Chair for ACA International's Member Attorney Program and a member of the Bank Counsel Committee of the North Carolina Bankers Association. Most recently, she was elected to the Governing Committee for the Conference on Consumer Finance Law. In 2018, Caren was named one of the "20 Most Powerful Women in Collections" by *Collection Advisor*, a national trade publication. Caren oversees a blog titled: [Consumer Financial Services Litigation and Compliance](#) dedicated to consumer

CFPB Adopts Final HMDA Rules: What You Need to Know

November 5, 2015 | by

The CFPB has issued its final rule modifying and significantly expanding the data collection reporting requirements under the Home Mortgage Disclosure Act ("HMDA"). Adopted in 1975, HMDA requires certain lenders to report information about home loans for which they receive applications, or originate or purchase. The Dodd-Frank Act provides the CFPB with authority and direction to expand the data reported under HMDA. The CFPB along with the Department of Justice use HMDA data to help identify redlining and other fair lending violations. The new rule is lengthy (approximately 800 pages). Here is a very cursory review:

Data Fields Significantly Expand

The finalized rule significantly expands the data fields required by HMDA, exceeding the data fields required by the Dodd-Frank Act. The final rule includes twenty-five new data fields, including age, credit score, total loan costs or total points and fees, interest rates, loan term, mortgage loan originator identity and property value. The rule additionally modifies several existing data fields. The new data collection rules take effect in 2018.

Scope of Institutions Covered Decreases

The final rules narrow the number of depository institutions subject to the reporting requirements. Beginning in 2018, institutions will only be required to report HMDA data if they originated a minimum of 25 covered closed-end mortgage loans or at least 100 covered open end lines of credit in each of the two preceding calendar years that satisfy the location requirements (providing loans in identified metropolitan statistical areas ("MSA")). The CFPB estimates that the new threshold will reduce the number of banks and credit unions reporting by 22%.

Frequency and Manner of Reporting

Additionally, the final rule will require quarterly reporting beginning in 2020 for lenders reporting a combined total of 60,000 applications and covered loans in the preceding year. The CFPB also announced that they are developing a new web-based submission

financial services and has been published in a number of publications including the Journal of Taxation and Regulation of Financial Institutions, California State Bar Business Law News, Banking and Financial Services Policy Report and Carolina Banker.

tool for reporting HMDA data.

As these changes have been in the works for over a year, they should not catch anyone by surprise. The good news is that the rule's implementation will be gradual over the next few years. However, banks and credit unions should immediately:

- Identify current data collection abilities;
- Identify where to increase their data capture; and
- Identify affected lines of business.

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