



**Privacy Impact Assessment
of the
Home Mortgage Disclosure Act Data Repository System**

Program or application name: Home Mortgage Disclosure Act Data Repository System

System owner: Board of Governors of the Federal Reserve System’s (“Board”) Division of Consumer and Community Affairs (“DCCA”)

Contact information:

System Owner: Drew Kohan
Title: Associate Director
Division: Division of Consumer and Community Affairs
Address: 20th Street and Constitution Avenue, N.W.
Washington, DC 20551
Telephone: (202) 452-3040

IT System Owner: Chris Melvin
Title: Manager
Division: Division of Information Technology
Address: 20th Street and Constitution Avenue, N.W.
Washington, DC 20551
Telephone: (202) 452-3837

Description of the IT system:

The Board’s Home Mortgage Disclosure Act Data Repository System stores the information that has been collected from certain financial institutions pursuant to the Home Mortgage Disclosure Act of 1975 (“HMDA”)¹ and Regulation C.² HMDA and Regulation C require certain financial institutions (“covered financial institutions”) to collect, record, report, and disclose information about their mortgage lending.

¹ 12 U.S.C. §§ 2801-2810.

² 12 C.F.R. Part 1003.

Prior to January 1, 2018, covered financial institutions filed their HMDA data for HMDA Years 2016 and earlier with the Board.³ The Board received and processed the HMDA data on behalf of itself, the Office of the Comptroller of the Currency (“OCC”), the Federal Deposit Insurance Corporation (“FDIC”), the National Credit Union Administration, the U.S. Department of Housing and Urban Development, and, later, the Consumer Financial Protection Bureau (“CFPB”) (collectively, the “Federal HMDA Agencies”). The Board provided an information system for the Federal HMDA Agencies to securely download the HMDA data for their covered financial institutions.

Effective July 2011, the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) transferred HMDA rulemaking and other functions from the Board to the CFPB. As of January 1, 2018, covered financial institutions filed their HMDA data for HMDA Years 2017 and later with the CFPB. The CFPB receives and processes the data on behalf of the Federal HMDA Agencies, and securely transfers the HMDA data to the Federal HMDA Agencies through periodic updates. With respect to the Board, the CFPB transfers the HMDA dataset to the Board, which stores the data in the Home Mortgage Disclosure Act Data Repository System.

1. The information concerning individuals that is being collected and/or maintained:

The HMDA data can be divided into two categories based on the type of data collected: the legacy HMDA data fields for HMDA Years 2017 and earlier (“Legacy HMDA Fields”) and the current HMDA data fields for HMDA Years 2018 and later (“Current HMDA Fields”).

The HMDA data can be further divided into two categories based on the subject of the information: the Transmittal Sheet information and the Loan/Application Register (“LAR”). To facilitate data submission, the Transmittal Sheet provides a standardized format for collecting and reporting information about the covered financial institution submitting the HMDA data. The LAR is a standardized format for the collection and reporting of the HMDA data about the mortgage applicant or borrower.

Legacy HMDA Fields

HMDA does not require the reporting of information that directly identifies an applicant or borrower. In addition, staff commentary to Regulation C applicable to data that covered financial institutions collected in HMDA Years 2017 and earlier strongly discourages institutions from including identification numbers, names, or Social Security numbers, which are direct identifiers.

³ The term “HMDA Year” references the year in which the covered financial institution collects the data from the mortgage applicant or borrower. Generally, the covered financial institution must report the data to the regulator by March 1st of the following calendar year after the data was collected from the mortgage applicant or borrower. For example, if a financial institution collected mortgage data from an applicant in 2015 (i.e., HMDA Year 2015), the covered financial institution would then report that data to the Board by March 1, 2016.

However, in its submission of data collected in HMDA Year 2017 or earlier, a covered financial institution may have included such information as part of an application or loan number.

For HMDA Years 2017 and earlier, covered financial institutions reported the following information:

The Transmittal Sheet

- The name of the covered financial institution,
- The Respondent Identification Number or Legal Entity Identifier,⁴
- The calendar year,⁵
- The name and business contact information for a person who can be contacted with questions about the submission,
- The covered financial institution's appropriate federal agency,
- The total number of entries in the submission, and
- The covered financial institution's Federal Taxpayer Identification Number.

The Loan/Application Register

Applicants or Loan Information

- Identification number,⁶
- Date the application was received,
- Loan type,
- Property type,
- Loan purpose,
- Occupancy type,
- Loan amount, and
- Preapproval request.

Action Taken

- Type of action, and
- Date the action was taken.

⁴ For HMDA Years 2017 and earlier, the transmission includes the Respondent Identification Number. For HMDA Years 2018 and later, the transmission includes the covered financial institution's Legal Entity Identifier instead of the Respondent Identification Number. This field is reported on the Transmittal Sheet as well as the Loan/Application Register.

⁵ Beginning on January 1, 2020, covered financial institutions that reported for the previous calendar year at least 60,000 covered applications and loans, combined, excluding purchased loans, must also submit the calendar quarter to which the data relate. 12 C.F.R. § 1003.5(a)(ii).

⁶ With respect to data a covered financial institution collected in HMDA Year 2018 or later, Regulation C prohibits a financial institution from including information that could be used to directly identify the applicant or borrower in the identifier that it assigns to an application or loan.

Property Location

- Metropolitan Statistical Area/Metropolitan Division (MSA/MD) code,
- State code,
- County code, and
- Census tract number.

Applicant Information

- Ethnicity, race, and sex, and
- Income.

Sale of the Loan

- Purchaser type.

Denial Reasons (optional, except as required for certain financial institutions regulated by the OCC and FDIC)

Loan Price and Lien Status

- Rate spread for certain higher cost loans,
- HOEPA status, and
- Lien status.

Current HMDA Fields

The Dodd-Frank Act expanded the scope of information relating to mortgage applications and loans that covered financial institutions must compile, maintain, and report under HMDA. On October 15, 2015, the CFPB issued a final rule (“2015 HMDA Rule”), which implemented the Dodd-Frank Act amendments and made other changes to Regulation C.⁷ Specifically, the 2015 HMDA Rule modified the types of financial institutions subject to Regulation C; the types of transactions subject to Regulation C; the specific information that covered financial institutions are required to collect, record, and report; and the processes for reporting and disclosing data.

As of January 1, 2018, most provisions of the 2015 HMDA Rule took effect. That is, as of HMDA Year 2018, covered financial institutions began collecting the data required by the 2015 HMDA Rule, including data for the Current HMDA Fields.⁸

⁷ See 80 Fed. Reg. 66127 (Oct. 28, 2015) (final rule); 80 Fed. Reg. 69567 (Nov. 11, 2015) (correction).

⁸ An institutional coverage change for depository institutions was effective January 1, 2017. In August 2017, the CFPB also issued a rule amending Regulation C to make technical corrections and to clarify certain requirements adopted by the CFPB’s 2015 HMDA Rule. See 82 Fed. Reg. 43088 (Sept. 13, 2017). A new quarterly reporting requirement is effective January 1, 2020. Finally, in October 2019, the CFPB issued a rule amending Regulation C to state that financial institutions originating fewer than 500 open-end lines of credit in either of the preceding two years will not be required to begin collecting such data until January 1, 2022. See 84 Fed. Reg. 57946.

As noted above, HMDA does not require the reporting of information that directly identifies an applicant or borrower. With respect to data a covered financial institution collected in HMDA Years 2018 or later, Regulation C prohibits a financial institution from including information that could be used to directly identify the applicant or borrower in the identifier that it assigns to an application or loan.

For HMDA Years 2018 and later, covered financial institutions report the following information, unless they are partially exempt from collecting and reporting certain HMDA data fields:⁹

The Transmittal Sheet

- The name of the covered financial institution,
- Legal Entity Identifier,¹⁰
- The calendar year,¹¹
- The name and contact information for a person who can be contacted with questions about the submission,
- The covered financial institution's appropriate federal agency,
- The total number of entries in the submission, and
- The covered financial institution's Federal Taxpayer Identification Number.

The Loan/Application Register

Applicants and Applications

- Ethnicity, race, and sex,
- Age,

⁹ See CFPB Interpretive and Procedural Rule, Partial Exemptions from the Home Mortgage Disclosure Act under the Economic Growth, Regulatory Relief, and Consumer Protection Act ("EGRRCPA"), 83 Fed. Reg. 45325 (Sept. 7, 2018). This rule implemented the EGRRCPA's HMDA-related provisions. Pub. L. 115-174, section 104(a) (to be codified at 12 U.S.C. § 2803) (May 24, 2018). Generally, partially-exempt covered financial institutions are insured depository institutions and insured credit unions that originated fewer than 500 closed-end mortgage loans and/or 500 open-end lines of credit in each of the two preceding calendar years. These partially-exempt covered financial institutions are not required to collect and report certain HMDA data points (but may voluntarily do so). In October of 2019, the CFPB issued a final rule that incorporates into Regulation C these interpretations and procedures, with minor adjustments, by adding new 12 C.F.R. § 1003.3(d) relating to the partial exemptions and making various amendments to the data compilation requirements in 12 CFR 1003.4. The final rule is available at: https://files.consumerfinance.gov/f/documents/cfpb_hmda_final-rule-2019.pdf.

¹⁰ For HMDA Years 2017 and earlier, the transmission includes the Respondent Identification Number. For HMDA Years 2018 and later, the transmission includes the covered financial institution's Legal Entity Identifier instead of the Respondent Identification Number. This field is reported on the Transmittal Sheet as well as the Loan/Application Register.

¹¹ Beginning on January 1, 2020, covered financial institutions that reported for the previous calendar year at least 60,000 covered applications and loans, combined, excluding purchased loans, must also submit the calendar quarter to which the data relate. 12 C.F.R. § 1003.5(a)(ii).

- Income,
- Debt-to-income ratio,
- Credit score system and result,
- Automated underwriting system and result,
- Application channel,
- Reason(s) for denial,
- Application date, and
- Preapproval request.

Property

- Property location by census tract,
- Street address,
- City,
- State,
- ZIP code,
- Lien status,
- Property value,
- Combined loan-to-value ratio,
- Construction method,
- Manufactured home secured property type,
- Manufactured home land property interest,
- Total units,
- Multifamily affordable units, and
- Occupancy type.

Transaction

- Loan type,
- Loan purpose,
- Loan amount,
- Action taken and action taken date,
- Type of purchaser,
- Rate spread,
- Home Ownership and Equity Protection Act (HOEPA) status,
- Total loan costs or total points and fees,
- Origination charges,
- Discount points,
- Lender credits,
- Interest rate,
- Prepayment penalty term,
- Loan term,
- Introductory rate period,

- Non-amortizing features,
- Reverse mortgage indicator,
- Open-end line of credit indicator, and
- Business or commercial purpose indicator.

Other Data Points

- Universal Loan Identifier, and
- Mortgage Loan Originator Identifier.

2. Source(s) of each category of information listed in item 1:

The source of the information in item 1 above is the covered financial institution, which provided the information directly to the Board (for HMDA Year 2016 or earlier). For HMDA Year 2017 or later, the institutions send the information directly to the CFPB, which distributes that information to the Federal HMDA Agencies.

3. Purposes for which the information is being collected:

HMDA requires certain depository institutions and certain non-depository lenders to collect and publicly disclose information about mortgage loan applications and originations and purchases of mortgage loans, including applicant/borrower characteristics.

As stated in Regulation C, the HMDA data is used to:

1. Help determine whether financial institutions are serving the housing needs of their communities;
2. Assist public officials in distributing public-sector investment so as to attract private investment to areas where it is needed; and
3. Assist in identifying possible discriminatory lending patterns and enforcing anti-discrimination statutes.¹²

4. Who will have access to the information:

Most HMDA data are made available to the public on the CFPB and Federal Financial Institutions Examination Council (“FFIEC”) websites through online tools and downloadable data files. Access to the non-public HMDA data fields stored at the Board is granted only to those Federal Reserve System staff (employees and contractors) who have clearly demonstrated the need to access the data and are actively working with the data to carry out the Federal Reserve’s supervision responsibilities, or research that furthers supervisory activities or policy objectives. Access is not permanent or open-ended. Validation requirements for users are conducted on a periodic basis.

¹² 12 C.F.R. § 1003.1(b)(1).

5. Whether the individuals to whom the information pertains have an opportunity to decline to provide the information or to consent to particular uses of the information (other than required or authorized uses):

There are limited opportunities for individuals to decline to provide the information. Under Regulation C, applicants may decline to provide information concerning ethnicity, race, and sex to a covered financial institution as part of their mortgage application. However, Regulation C provides that if an applicant declines to provide this information for an application taken in person, then the covered financial institution must collect the information based on visual observation and surname.¹³ If an applicant declines to provide the information for an application taken by mail or telephone or on the Internet, the covered financial institution is not required to collect the information.

There is no opportunity for individuals to decline to consent to having a covered financial institution report their information to the Federal HMDA agencies. If an individual chooses to apply for or obtain a covered mortgage loan from a covered financial institution, HMDA and Regulation C require the covered financial institutions to report the application or loan information to the Federal HMDA agencies.

6. Procedure(s) for ensuring that the information maintained is accurate, complete and up-to-date:

The CFPB's HMDA Platform leads the covered financial institution through a five-step process, which includes reviewing for possible data inaccuracies, certifying the accuracy and completeness of the data, submitting the data, and receiving a confirmation receipt. The CFPB also sends the Board the most current HMDA data submissions (or re-submissions) from financial institutions on a regular basis. Finally, Federal Reserve examiners may subsequently verify Board-supervised financial institutions' HMDA data using interagency and Board-specific HMDA examination procedures. The Federal Reserve examiners may require a covered financial institution to correct and resubmit its data.

The information associated with HMDA Years 2017 and earlier is no longer actively updated and is primarily used for historical research purposes.

¹³ 12 C.F.R. Part 1003, Appendix B.

7. The length of time the information will be retained and how will it be purged:

The Board retains the HMDA information for HMDA Years 2016 and prior in accordance with the Board's schedule [N1-82-05-01, Home Mortgage Disclosure Act and Related Records](#).¹⁴

The Board retains the HMDA information for HMDA Years 2017 and later in accordance with the Board's schedule [N1-82-01-01, item 6b](#).¹⁵

HMDA information is updated as necessary to carry out regular current business of the Board and destroyed when no longer needed for administrative or reference purposes.

8. The administrative and technological procedures used to secure the information against unauthorized access:

The Home Mortgage Disclosure Act Data Repository System has the ability to track individual user actions within the system. Audit and accountability controls are based on National Institution of Standards and Technology (NIST) and Board standards which, in turn, are based on applicable laws and regulations. The controls assist in detecting security violations and performance or other issues in the Home Mortgage Disclosure Act Data Repository System.

Access to the Home Mortgage Disclosure Act Data Repository System is restricted to authorized users within the System and Board who require access for official business purposes. Users are classified into different roles and common access and usage rights are established for each role. User roles are used to delineate between the different types of access requirements such that users are restricted to data that is required in the performance of their duties.

¹⁴ Retention schedule N1-82-05-01 is available at: https://www.federalreserve.gov/foia/rr_hmda.htm.

¹⁵ Retention schedule N1-82-01-01 is available at: https://www.federalreserve.gov/foia/rr_research.htm.

