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May 11, 2004

Jennifer J. Johnson
Secretary, Board of Governors
Federal Reserve
20th Street and Constitution Avenue, NW
Washington, DC 20551

RE: Docket No. R—1186

Dear Ms. Johnson:

The Independent Community Bankers of America (ICBA)¹ appreciates the opportunity to comment on the revised format for public disclosure of mortgage lending data pursuant to the Home Disclosure Act (HMDA) and Regulation C.

Background

HMDA requires depository and non-depository institutions to collect, report and publicly disclose information on applications, originations and purchases of mortgage loans. The reports include information on the application date, the loan type and purpose, amount of the loan, the location of the property, some demographic data, and reason for denial if the loan is denied. The data that must be collected and reported was extensively revised for calendar year 2004 to reflect changes to race and ethnicity categories made by the Office of Management and Budget (OMB), to collect additional information such as the rate spread between annual percentage rate and the yield on Treasury securities, whether the loan is subject to the Home Ownership and Equity Protection Act and loans secured by manufactured housing, among other changes.

¹ ICBA represents the largest constituency of community banks in the nation and is dedicated exclusively to protecting the interests of the community banking industry. We aggregate the power of our members to provide a voice for community banking interests in Washington, resources to enhance community bank education and marketability, and profitability options to help community banks compete in an ever-changing marketplace.

After an institution reports the information to the federal financial agencies, the Federal Financial Institutions Examination Council (FFIEC) edits and produces the data for public disclosure. FFIEC sends the information back to the institution and various entities in the metropolitan statistical area for use by interested members of the public.

The Board proposes to revise the data disclosure tables to make the information more easily reviewed by the public. The proposed revisions include the addition of a new table, the deletion of one set of tables, and some changes to existing tables.

Discussion

ICBA does not object to the proposed revisions to the Board's reporting structure. However, many ICBA member banks are located in areas where there is a limited volume of mortgage loans. The Board should consider that the proposed format for disclosures might make it possible for individual borrowers to be identified in certain census tracts. Just as financial institutions are required to take appropriate steps to protect the confidentiality and security of customer information under the Gramm-Leach-Bliley Act privacy rules, the final revisions to HMDA should include a restriction that ensures the privacy of individual borrowers is properly protected by the regulators. Furthermore, the Board should consider instituting a *de minimis* for loan volume so that, if an individual institution or category of loans does not have sufficient information to protect individual borrowers, that information should not be publicly disclosed.

Thank you for the opportunity to comment. If you need additional information or have any questions, please contact me by phone at 202-659-8111 or by e-mail at katie.bragan@icba.org.

Sincerely,



Katherine Bragan
Associate Director of Lending and
Accounting Policy