

Fair Lending at the CFPB and the Role of the Home Mortgage Disclosure Act (HMDA) in Protecting America's Consumers

Consumer Financial Protection Week | July 2020

Disclaimers

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- Note: This document was used in support of a live discussion. As such, it does not necessarily express the entirety of that discussion nor the relative emphasis of topics therein.

Opening Remarks from Director Kraninger

- The Home Mortgage Disclosure Act (HMDA) plays an important role in protecting America's consumers.
- The CFPB takes seriously its obligations to enforce HMDA and holds mortgage lenders accountable for failing to comply with the law.
- HMDA data are used for a variety of purposes including to assess housing needs, public investment, and possible discrimination under numerous federal and state laws, as well as general market and economic monitoring.



The Office of Fair Lending and Equal Opportunity: Today's Presenters

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About the Office of Fair Lending and Equal Opportunity

Structure

→Office of the Director

→Office of Equal
Opportunity and
Fairness

→Office of Fair
Lending and Equal
Opportunity

The Dodd-Frank Act

Sec. 1013 (c) Office of Fair Lending and Equal Opportunity.--

(1) Establishment.--The Director shall establish within the Bureau the Office of Fair Lending and Equal Opportunity.

(2) Functions.--The Office of Fair Lending and Equal Opportunity shall have such powers and duties as the Director may delegate to the Office, including--

(A) providing oversight and enforcement of Federal laws intended to ensure the fair, equitable, and nondiscriminatory access to credit for both individuals and communities that are enforced by the Bureau, including the Equal Credit Opportunity Act and the Home Mortgage Disclosure Act;

(B) coordinating fair lending efforts of the Bureau with other Federal agencies and State regulators, as appropriate, to promote consistent, efficient, and effective enforcement of Federal fair lending laws;

(C) working with private industry, fair lending, civil rights, consumer and community advocates on the promotion of fair lending compliance and education; and

(D) providing annual reports to Congress on the efforts of the Bureau to fulfill its fair lending mandate.

Office of Fair Lending: Mission & Vision

MISSION:

- The Office of Fair Lending's mission is to advance the CFPB's role as a national leader in ensuring fair, equitable, and nondiscriminatory access to credit for individuals and communities.

VISION:

- The Office of Fair Lending envisions driving the CFPB's fair lending priorities, and also facilitating national dialogue and collaboration on efforts that advance fair, equitable, and nondiscriminatory access to credit for individuals and communities.

The Home Mortgage Disclosure Act (HMDA)

Some background.

Brief History of HMDA

- Enacted by Congress in 1975, implemented by the Federal Reserve Board rulemaking in 1976 (called “Regulation C”)
- Both the statute and the regulation were amended several times over the following four decades
- HMDA’s purposes:
 - Helps show whether financial institutions are serving the housing needs of their communities
 - Assists public officials in distributing public-sector investment to attract private investment to areas where it is needed
 - Assists with the identification of possible discriminatory lending patterns and enforcement of antidiscrimination laws

What kinds of transactions are reported under HMDA?

- Mortgages (including single family and multi-family, refinancing, preapprovals, applications, originations, secondary market purchases) secured by a dwelling
- Home Equity Lines of Credit (HELOCs) and other open-end credit secured by a dwelling
- Includes reverse mortgages and manufactured housing loans

Data Points (data that must be reported)

Applicants & Applications

- Ethnicity, race, and sex
- Age
- Income
- Debt-to-income ratio
- Credit score
- Automated underwriting system
- Application channel
- Reason for denial
- Application date
- Preapproval request

Property

- Property location by state, county, and census tract
- 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
- Occupancy type

Data Points: Transaction

- Loan type
- Loan purpose
- Loan amount
- Action taken and action taken date
- Type of purchaser
- Rate spread
- 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
- Open-end line of credit
- Business or commercial purpose

Who uses HMDA data?

Who uses HMDA data?

- Federal Government
 - CFPB
 - Department of Justice
 - Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) Agencies (FDIC, OCC, NCUA, FHFB, FCA)
 - Department of Housing and Urban Development (HUD)
- State banking regulators and Attorneys General
- Consumer groups
- Compliance vendors
- Financial institutions
- Private parties
- Academics / researchers (including Congressional researchers)

HMDA Data are used by nearly every office at the Bureau:

- Supervision
- Enforcement
- Fair Lending
- Markets
- Regulations
- Research
- Technology & Innovation
- Legal
- And more!

Who can access HMDA data?

The data are available to the public.

You can! This powerful dataset is available to the public

- There is something for everyone at <https://ffiec.cfpb.gov/>
- You can conduct basic searches, like finding out how many mortgages were originated in your area or which lenders are based in your area
- HMDA data can also be used to conduct more sophisticated analyses and identify fair lending risk

See how many home purchase loans were originated in your area

- Go to <https://ffiec.cfpb.gov/>
- Select “HMDA Data Browser”
- Then select “HMDA Dataset Filtering”
- Type in the geography, you can use:
 - State
 - Metropolitan Statistical Area (MSA)
 - County
 - Nationwide

Start by accessing the HMDA Data Browser

The screenshot shows the homepage of the FFIEC Home Mortgage Disclosure Act website. At the top, there's a navigation bar with icons for back, forward, search, and home, followed by the URL 'ffiec.cfpb.gov'. Below the URL is a banner stating 'An official website of the United States government' with the American flag icon. The main header features the FFIEC logo and the text 'FFIEC Home Mortgage Disclosure Act'. To the right of the header are five menu items: HOME (underlined), FILING, DATA BROWSER, DATA PUBLICATION, and TOOLS. The main content area has a large title 'The Home Mortgage Disclosure Act' and a paragraph explaining HMDA requirements. A yellow callout box contains a 'Scheduled Maintenance' notice. Another callout box on the right contains information about the HMDA Data Browser.

The Home Mortgage Disclosure Act

HMDA requires many financial institutions to maintain, report, and publicly disclose information about mortgages.

Scheduled Maintenance

We will be performing scheduled system maintenance on June 16 from 8pm - 10pm EST. During this time users will be unable to log in to the Filing application or create new accounts.

Access the HMDA Filing Platform

Beginning with HMDA data collected in or after 2017, financial institutions will use the HMDA Platform to upload their loan/application registers (LARs), review edits, certify the accuracy and completeness of the data, and submit data for the filing year.

HMDA Data Browser

The HMDA Data Browser is a tool that allows users to filter and download HMDA datasets.

Filter the dataset

An official website of the United States government

 FFIEC Home Mortgage Disclosure Act

HOME FILING DATA BROWSER DATA PUBLICATION TOOLS DOCUMENTATION

[DATA BROWSER HOME](#)

HMDA Dataset Filtering

You can use the HMDA Data Browser to filter and download CSV files of HMDA data. These files contain all [data fields](#) available in the public data record and can be used for advanced analysis. You can also access the [Data Browser API](#) directly. For questions/suggestions, contact hmdahelp@cfpb.gov.

Step 1: Select Geography

Start by selecting a geography filter using the dropdown menu below. [View more information on the available filters.](#)

State Select or type the name of one or more states

Step 2: Select Financial Institution (optional)

You can select one or more financial institutions by entering the financial institutions LEI or name.
NOTE: Only Institutions that operate in the selected geography are available for selection.

All institutions selected. Select or type the name of one or more LEIs to filter

Step 3: Select a filter (optional)

Narrow down your selection by filtering on up to two [popular variables](#)

Select a variable

[Download Dataset](#) [View Summary Table](#)

Filter the data

- Let's use Pittsburgh, Pennsylvania, which is in Allegheny County, Pennsylvania

HMDA Dataset Filtering

You can use the HMDA Data Browser to filter and download files contain all [data fields](#) available in the public dataset for analysis. You can also access the [Data Browser API](#) directly or contact hmdahelp@cfpb.gov.

Step 1: Select Geography

Start by selecting a geography filter using the dropdown menu below.

County

Select or type additional counties

42003 - ALLEGHENY COUNTY - PENNSYLVANIA X

Filter the data

- Leave the “Select Financial Institution” field blank to include all financial institutions in your chosen geography
- Notice that the field automatically calculates how many lenders reported HMDA data in that county (541 here)

Step 1: Select Geography

Start by selecting a geography filter using the dropdown menu below. [View more information on the](#)

County	<input type="button" value="▼"/>	Select or type additional counties
--------	----------------------------------	------------------------------------

42003 - ALLEGHENY COUNTY - PENNSYLVANIA ×

Step 2: Select Financial Institution (optional)

You can select one or more financial institutions by entering the financial institutions LEI or name.

NOTE: Only Institutions that operate in the selected geography are available for selection.

All institutions selected. Select or type the name of one or more LEIs to filter

All Financial Institutions (541)

1ST ALLIANCE LENDING, LLC - 549300X973YPKT8V0H73

1ST SUMMIT BANK - 5493009HFRW3TN5NRR78

21ST MORTGAGE CORPORATION - 549300XQVJ1XBNFA5536

360 MORTGAGE GROUP, LLC - 549300CD76YM6Y3IZ451

ACCELERATE MORTGAGE, LLC - 549300JHSXRPXKX47M78

ACCESS NATIONAL BANK - 549300QWEDZGLJE73X04

ACOPIA, LLC - 549300L1DBFIJZI8LA40

Filter the data

- Action Taken
 - 1 = originated
- Loan Purpose
 - 1 = home purchase

Step 3: Select a filter (optional)

Narrow down your selection by filtering on up to two [popular variables](#)

Remove a variable to select another

Action Taken ×

Loan Purpose ×

[Action Taken](#)

- 1 - Loan Originated
- 2 - Application approved but not accepted
- 3 - Application denied
- 4 - Application withdrawn by applicant
- 5 - File closed for incompleteness
- 6 - Purchased loan
- 7 - Preapproval request denied
- 8 - Preapproval request approved but not accepted

[Loan Purpose](#)

- 1 - Home Purchase
- 2 - Home Improvement
- 31 - Refinancing
- 32 - Cash Out Refinancing
- 4 - Other Purpose
- 5 - Not Applicable

[Download Dataset](#)

[View Summary Table](#)



Filter the data

- View the data summary to see how many records you retrieved (14,922 here)
- You can also download the dataset if you want to learn more about those loans

Data Summary

County:
ALLEGHENY COUNTY

Action Taken:
1 - Loan Originated

Loan Purpose:
1 - Home Purchase

Selected Variables	# of Records	\$ Amount
1 - Loan Originated, 1 - Home Purchase	14,922	3,107,330,000

The filtered data contains **14,922** rows, each with all 99 public data fields.

[Download Dataset](#)

Want to see if any HMDA reporting lenders are based in your town or state?

- Start at the same website,
<https://ffiec.cfpb.gov/>
- Select “Data Publication”
- Then select “Snapshot National Loan-Level Dataset”

The screenshot shows two views of the FFIEC Home Mortgage Disclosure Act website. The top view is the main page with a green box highlighting the 'DATA PUBLICATION' tab in the navigation bar. The bottom view is a detailed page for 'HMDA Data Publication' with several report types listed, including 'Snapshot National Loan-Level Dataset' which is also highlighted with a green box.

Top View: Main Page

An official website of the United States government
FFIEC Home Mortgage Disclosure Act
HOME FILING DATA BROWSER DATA PUBLICATION

The Home Mortgage Disclosure Act

HMDA requires many financial institutions to maintain, report, and publicly disclose information about mortgages.

Scheduled Maintenance
We will be performing scheduled system maintenance on June 16 from 8pm - 10pm EST. During this time users will be unable to log in to the Filing application or create new accounts.

Bottom View: HMDA Data Publication

An official website of the United States government
FFIEC Home Mortgage Disclosure Act
HOME FILING DATA BROWSER DATA PUBLICATION

HMDA Data Publication

The HMDA data and reports are the most comprehensive publicly available information on mortgage market activity. The data and reports can be used along with the [Census](#) demographic information for data analysis purposes. Available below are the data and reports for HMDA data collected in or after 2017. For HMDA data and reports for prior years, visit <https://www.ffiec.gov/hmda/hmdaproducts.htm>.

Modified Loan/Application Register (LAR)
The modified LAR provides loan-level data for an individual financial institution, as modified by the Bureau to protect applicant and borrower privacy.

Disclosure Reports
These reports summarize lending activity for individual institutions, both nationwide and by MSA/MD.

MSA/MD Aggregate Reports
These reports summarize lending activity by MSA/MD.

National Aggregate Reports
These reports summarize nationwide lending activity. They indicate the number and dollar amounts of loan applications, cross-tabulated by loan, borrower and geographic characteristics.

Snapshot National Loan-Level Dataset
The snapshot files contain the national HMDA datasets as of a fixed date for all HMDA reporters, as modified by the Bureau to protect applicant and borrower privacy.

Dynamic National Loan-Level Dataset
The dynamic files contain the national HMDA datasets, modified by the Bureau to protect applicant and borrower privacy, updated weekly for all HMDA reporters.

Want to see if any HMDA reporting lenders are based in your town or state?

- Select the year
- Then select the Transmittal Sheet CSV file to get a list of all HMDA reporters for that year
- Download the file

The screenshot shows a web browser displaying the FFIEC Home Mortgage Disclosure Act website at ffiec.cfpb.gov/data-publication/snapshot-national-loan-level-dataset/2018. The page title is "Snapshot National Loan Level Dataset". It includes a note that the snapshot files contain national HMDA datasets as of August 7th, 2019 for all HMDA reporters, with caution about loan amount and income outliers. A "Select a year" dropdown shows "2018" as the current selection. The "2018 Datasets" section lists categories: "Loan/Application Records (LAR)" with "CSV" and "Pipe Delimited" options; "Transmittal Sheet Records (TS)" with "CSV" and "Pipe Delimited" options; "Reporter Panel" with "CSV" and "Pipe Delimited" options; and "MSA/MD Description" with "CSV" and "Pipe Delimited" options. The "MSA/MD Description" section is highlighted with a green rounded rectangle around its "Pipe Delimited" link.

Want to see if any HMDA reporting lenders are based in your town or state?

- I'm from New Hampshire, it's not a very big state, but let's see if any lenders are based there.
- Once we open the downloaded transmittal sheet, we can sort by city or state
- You can also see how many HMDA records each lender reported
- Sort from largest to smallest to see the largest mortgage lenders based out of your area!

F	G	H	I	J
1 respondent_name	respondent_state	respondent_city	respondent_zip_code	lar_count
473 Northway Bank	NH	Berlin	3570	616
113 New Hampshire Federal Credit Union	NH	Concord	3301	107
116 Merrimack County Savings Bank	NH	Concord	3302	438
187 Federal Savings Bank	NH	Dover	3820	192
1801 Franklin Savings Bank	NH	Franklin	3235	241
326 Bank of New Hampshire	NH	LACONIA	3246	1418
1032 Bellwether Community Credit Union	NH	Manchester	3104	421
1034 Coastway Bank	NH	Manchester	3101	1351
1035 Members First Credit Union of N.H.	NH	MANCHESTER	3101	272
1036 Granite State Credit Union	NH	Manchester	3101	670
1037 HarborOne Mortgage LLC	NH	MANCHESTER	3101	5095
1038 St. Mary's Bank	NH	Manchester	3103	1149
1210 Meredith Village Savings Bank	NH	Meredith	3233	629
1809 TRIANGLE CREDIT UNION	NH	Nashua	03064-2639	514
1174 Service Credit Union	NH	PORTSMOUTH	3801	1177
1175 Piscataqua Savings Bank	NH	Portsmouth	3801	128
1176 Northeast Credit Union	NH	PORTSMOUTH	3801	1828
1178 Optima Bank & Trust	NH	Portsmouth	3801	374
1350 Profile Bank	NH	ROCHESTER	3866	124
1854 Holy Rosary Credit Union	NH	ROCHESTER	3867	228
1495 Salem Co-operative Bank	NH	Salem	3079	273
1801 New England Regional Mortgage	NH	Salem	3079	1
1803 Bank of New England	NH	Salem	3053	42
1423 Northeast Home Loan LLC.	NH	West Chesterfield	3466	1070

More advanced HMDA analytics

Also available to the public.

Loan Distribution Analysis

- Problem statement: Determine what percentage of loans are going to minority neighborhoods in the Birmingham, Alabama Metropolitan Statistical Area (MSA); compare lenders to see which lenders are receiving more applications from minority neighborhoods

REMEMBER!

HMDA data can signal fair lending risk, but may not include some legitimate credit risk considerations for loan approval and loan pricing decisions. Therefore, when regulators conduct fair lending examinations, they analyze additional information before reaching a determination about an institution's compliance with fair lending laws. (See FFIEC Press Release: "FFIEC Announces Availability of 2018 Data on Mortgage Lending," August 30, 2019, available at <https://www.ffiec.gov/press/pro83019.htm>.)

Fair Lending Use Case 2: Loan Distribution Analysis

- Step 1: Select Geography – MSA/MD – type “BIRMINGHAM-HOOVER - ALABAMA”
- Step 2: Select Financial Institution – leave blank to pull all institutions (or filter if you are looking at one institution)
- Step 3: Select a Filter – you can filter on 0-2 different variables - some filters you may find helpful for comparing institutions:
 - Action Taken – select action codes 1-5 (to capture all applications and exclude preapprovals and loans purchased by an institution)
 - Loan Purpose – can include all or narrow to only consider, for example, home purchases (loan type code 1), or only home purchases and refinances (codes 1, 31, and 32)
- Step 4: Download the dataset – this dataset is small enough to work with in Excel (24,202 records)

Select Geography

 An official website of the United States government



HOME FILING DATA BROWSER DATA PUBLICATION TOOLS DOCUMENTATION

[DATA BROWSER HOME](#)

HMDA Dataset Filtering

You can use the HMDA Data Browser to filter and download CSV files of HMDA data. The files contain all [data fields](#) available in the public data record and can be used for advanced analysis. You can also access the [Data Browser API](#) directly. For questions/submitting comments, contact hmdahelp@cfpb.gov.

Select MSA/MD.
Type “Birmingham” and select the matching result

Step 1: Select Geography

Start by selecting a geography filter using the dropdown menu below. [View more information on the available filters.](#)

MSA/MD

13820 - BIRMINGHAM-HOOVER - ALABAMA

Step 2: Select Financial Institution (optional)

You can select one or more financial institutions by entering the financial institutions LEI or name.

NOTE: Only Institutions that operate in the selected geography are available for selection.

All institutions selected. Select or type the name of one or more LEIs to filter

Step 3: Select a filter (optional)

Narrow down your selection by filtering on up to two [popular variables](#)

Select a variable

Select Financial Institution

Step 1: Select Geography

Start by selecting a geography filter using the dropdown menu below. [View more information on the available filters.](#)

MSA/MD x | ▾

13820 - BIRMINGHAM-HOOVER - ALABAMA x

Leave blank to pull all institutions

Step 2: Select Financial Institution (optional)

You can select one or more financial institutions by entering the financial institution's LEI or name.

NOTE: Only Institutions that operate in the selected geography are available for selection.

All institutions selected. Select or type the name of one or more LEIs to filter | ▾

Step 3: Select a filter (optional)

Narrow down your selection by filtering on up to two [popular variables](#)

Select a variable | ▾

[Download Dataset](#)

[View Summary Table](#)

Select a Filter

Step 2: Select Financial Institution (optional)

You can select one or more financial institutions by entering the financial institutions LEI or name.

NOTE: Only Institutions that operate in the selected geography are available for selection.

All institutions selected. Select or type the name of one or more LEIs to filter

Step 3: Select a filter (optional)

Narrow down your selection by filtering on up to two [popular variables](#)

Remove a variable to select another

Action Taken X

Loan Purpose X

Selection “Action Taken”
and “Loan Purpose”

Action Taken

- 1 - Loan Originated
- 2 - Application approved but not accepted
- 3 - Application denied
- 4 - Application withdrawn by applicant
- 5 - File closed for incompleteness
- 6 - Purchased loan
- 7 - Preapproval request denied
- 8 - Preapproval request approved but not accepted

Loan Purpose

- 1 - Home Purchase
- 2 - Home Improvement
- 31 - Refinancing
- 32 - Cash Out Refinancing
- 4 - Other Purpose
- 5 - Not Applicable

Check boxes for the loans
of interest.

[Download Dataset](#)

[View Summary Table](#)

Click “View Summary
Table”

View the Data Summary and Download the Dataset

Data Summary

MSA/MD:

13820 - BIRMINGHAM-HOOVER

Action Taken:

- 1 - Loan Originated
- 2 - Application approved but not accepted
- 3 - Application denied
- 4 - Application withdrawn by applicant
- 5 - File closed for incompleteness

Loan Purpose:

1 - Home Purchase

Selected Variables	# of Records	\$ Amount
1 - Loan Originated, 1 - Home Purchase	16,938	3,623,290,000
2 - Application approved but not accepted, 1 - Home Purchase	652	116,780,000
3 - Application denied, 1 - Home Purchase	2,613	347,655,000
4 - Application withdrawn by applicant, 1 - Home Purchase	3,168	620,300,000
5 - File closed for incompleteness, 1 - Home Purchase	831	101,305,000

The filtered data contains **24,202** rows, each with all 99 public data fields.

[Download Dataset](#)

Download the dataset

 actions_taken_1-2-....csv
2.9/9.0 MB, 14 secs left

Continuing the analysis in Excel

- Census and economic data (at the tract level) are appended in columns CO-CU (population, percent minority, median family income, income percentage, owner-occupied units, 1-4 family homes, median age of housing units)
- Click on the upper left hand corner of the excel table and select “Insert” and then “Pivot Table”
- Drag “LEI” (legal entity identifier) into the “rows”
- Drag “tract_minority_population_percent” into the “columns” box
- Drag “LEI” into the “values” box (to count how many records there are for each institution)
- Group the percent minority values (0-49%, 50-79%, 80-100%)
- You now have a list of what percentage of loans from every lender in the MSA are going to low-, moderate-, and high-minority neighborhoods
- You can look up the entity names and contact information using <https://ffiec.cfpb.gov/data-publication/disclosure-reports/2018>
- You can continue to filter if you only want to compare certain types of loans
 - Common filters include Total Units, Open-End Line of Credit, Occupancy Type, Construction Method (e.g., site-built or manufactured home), and Reverse Mortgage.

Pivot tables are a great way to understand your data

The screenshot shows a Microsoft Excel interface with the ribbon menu at the top. The 'Insert' tab is selected. A 'PivotTable Recommended' button is visible on the ribbon. Below the ribbon, there's a 'Tables' section with 'PivotTables' and 'PivotTable Recommended'. The main area displays a data sheet titled 'activity_year' and a 'Create PivotTable' dialog box.

Create PivotTable

Choose the data that you want to analyze

Select a table or range
Table/Range: actions_taken_1-2-3-4-5_year_20!\$A\$1:\$CL

Use an external data source
Choose Connection...
Connection name:
 Use this workbook's Data Model

Choose where you want the PivotTable report to be placed

New Worksheet
 Existing Worksheet
Location:

Choose whether you want to analyze multiple tables
 Add this data to the Data Model

OK Cancel

The data sheet contains columns labeled 'activity_y' through 'loan_purp_lien'. The first few rows show data points like '2018 NSGZD26' and '13820 AL'. The right side of the sheet shows a partial view of another table with columns L through Q.

Getting comfortable with pivot tables

The screenshot shows a Microsoft Excel spreadsheet titled "Sheet1" containing a PivotTable. The PivotTable has "Count of lei" in the Row Labels, "0-49% Minority Census Tract", "50-79% Minority Census Tract", "80-100% Minority Census Tract", and "Grand Total" in the Column Labels. The data includes various census tract codes and their counts across different minority categories.

	A	B	C	D	E	F	G	H	I
1									
2									
3	Count of lei	Column Labels							
4		+ 0-49% Minority Census Tract	+ 50-79% Minority Census Tract	+ 80-100% Minority Census Tract	[Grand Total]				
5	Row Labels								
6	01J4SO3XTWZF4PP38209		368	19	1	388			
7	207ALC1P1YMO0VDV0K75		2		2	4			
8	213800QUAI2VH5YM6310		8	4	2	14			
9	213800XR2TCBQJSF1X93		30			30			
10	2549000VVDQ9NNW01Q23		4	1		5			
11	25490018IFQOT83QTH49		3		1	4			
12	2549003A9J70FMO48Y25		6			6			
13	2549003K48UGTWEK6031		4	2	3	9			
14	25490049RRVB8S6CG210				1	1			
15	254900504HZ55QX7VC64		1			1			
16	2549007JQKHU8KQ0FC19		5			5			
17	2549008PQJ4J5Z32RI14		36	5	4	45			
18	2549008SGDIASSJGSR05		77	1		78			
19	2549008V3O3PXWF90U35		5		1	6			
20	25490092DWDTDJ002J62		2			2			
21	2549009IIR21WKPEE762		2			2			
22	2549009ITWIC4FV7F43		12	1	2	15			
23	2549009X2AG1P20YAJ63		3			3			
24	254900AD895KKZTSFT42		6			6			
25	254900ARL5FDX2OOH702		1			1			

PivotTable Fields

Choose fields to add to report:

Search

activity_year
lei
derived_msa-md
state_code
county_code
census_tract
conforming_loan_limit
derived_loan_product_type

Drag fields between areas below:

Filters Columns

tract_minority_popula...
tract_minority_popula...

Rows Values

lei Count of lei

Defer Layout Update Update

Analysis Results

A	B	C	D	E	F
1					
2					
3	Column Labels				
4	<input checked="" type="checkbox"/> 0-49% Minority Census Tract	<input checked="" type="checkbox"/> 50-79% Minority Census Tract	<input checked="" type="checkbox"/> 80-100% Minority Census Tract	Grand Total	
5					
6	Count of lei	21216	2102	884	24202
7		87.66%	8.69%	3.65%	100.00%
8					
9					

How the CFPB uses HMDA Data

Putting the pieces together.

HMDA Data are one of the foundations of our fair lending work.

- Understanding the market size and landscape
- Prioritizing our work
- Identifying non-compliant financial institutions
 - HMDA non-reporters
 - Poor HMDA data quality as an indicator of overall poor compliance
- Redlining
 - Identifying risk
 - Mapping application patterns
- Reporting
 - Annual report to Congress

→ PROTECTING CONSUMERS

Freedom Mortgage (June 2019)

- The Bureau announced a settlement with Freedom Mortgage Corporation (Freedom), one of the ten largest HMDA reporters nationwide.
- Freedom violated HMDA and Regulation C by submitting mortgage-loan data for 2014 to 2017 that contained errors.
 - Freedom reported inaccurate race, ethnicity, and sex information
 - Much of Freedom's loan officers' recording of this incorrect information was intentional
 - For example, certain loan officers were told by managers or other loan officers that, when applicants did not provide their race or ethnicity, they should select non-Hispanic white regardless of whether that was accurate.
- Under the terms of the consent order, Freedom must pay a civil money penalty of \$1.75 million and take steps to improve its compliance management to prevent future violations.

HMDA Warning Letters (October 2016 & February 2019)

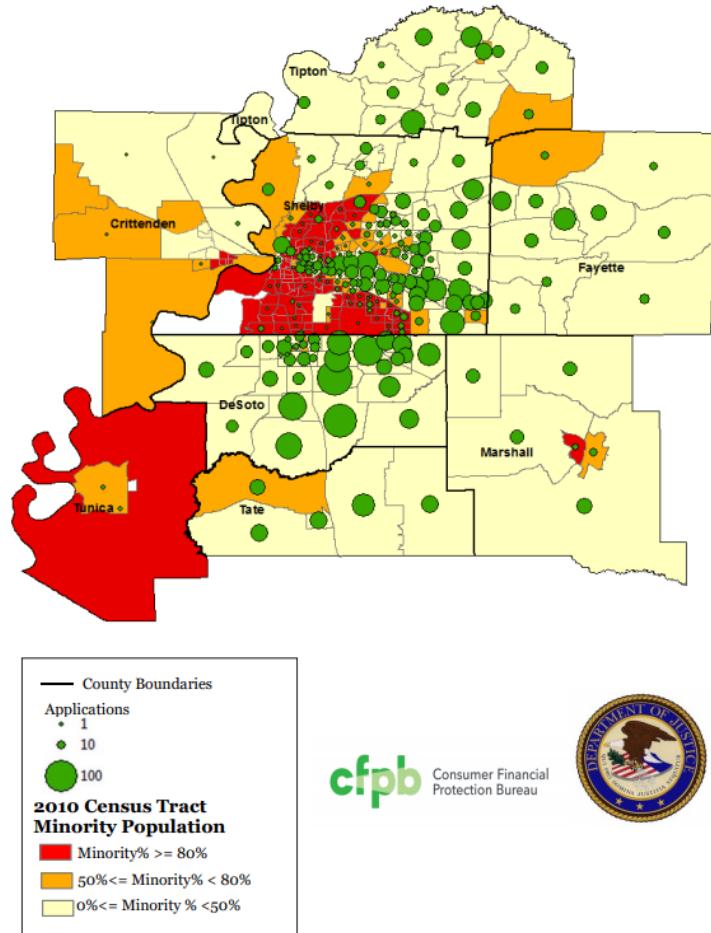
- Purpose
 - Through these letters the Bureau seeks to increase compliance with HMDA through enhanced education efforts and direct outreach to potentially non-compliant mortgage lenders, and to increase HMDA data quality and completeness through accurate reporting.
 - Since commencing the issuance of the HMDA warning letters more than 140,000 new mortgage loan application registers (LARs) that previously went unreported by the entities have now been reported.
- Commitment to follow through
 - The Bureau will follow up on these letters to ensure compliance, as appropriate.

Fair Lending Report of the Bureau of Consumer Financial Protection, April 2020.

United States of America and Consumer Financial Protection Bureau v. BancorpSouth Bank (June 2016)

- CFPB and Department of Justice (DOJ) joint action against BancorpSouth Bank for discriminatory mortgage lending practices that harmed African Americans and other minorities, including:
 - Illegally redlining in Memphis
 - Denying certain African Americans mortgage loans more often than similarly situated non-Hispanic white applicants
 - Charging African-American customers for certain mortgage loans more than non-Hispanic white borrowers with similar loan qualifications
 - Implementing an explicitly discriminatory loan denial policy
- Consent Order - BancorpSouth was required to pay:
 - \$4 million in direct loan subsidies in minority neighborhoods in Memphis
 - At least \$800,000 for community programs, advertising, outreach, and credit repair
 - \$2.78 million to African-American consumers who were unlawfully denied or overcharged for loans
 - \$3 million penalty
- In resolving this lawsuit, the Bureau required BancorpSouth to take a number of actions to increase access to credit for majority African American communities in the Memphis area. These actions included a loan subsidy program that offered qualified applicants mortgage loans on a more affordable basis, and the opening of new branches in the formerly redlined areas.

BancorpSouth Application Volume, 2011 – 2013, Memphis MSA



Resources

Resources

- [“Data Point” research papers](#)
- [FFIEC’s HMDA-related resources](#) – organized by year
 - [Frequently Asked Questions](#)
 - How to file HMDA data, including the [FFIEC’s Filing Instructions Guide \(FIG\)](#)
 - HMDA publications (e.g., [Modified Loan/Application Registers \(or LARs\)](#), [Aggregate](#) and [Disclosure](#) Reports, etc.)
 - [Snapshot](#) and [Dynamic National Loan Level Dataset](#)
 - HMDA tools (e.g., [Data Browser](#), [Rate Spread](#), [LAR formatting tool](#), etc.)
- [HMDA implementation resources](#) – aimed at HMDA reporters, but useful for data users
 - [Institutional](#) and [transactional](#) coverage charts
 - Regulatory and reporting [overview charts](#) by year
 - Bureau’s user-friendly version of [Regulation C](#)
 - [Executive summaries](#) of the Bureau’s Regulation C rulemaking activities

Thank you for joining us today!

If you have further questions, please do not hesitate to reach out to us.

If you have questions about the Office of Fair Lending, please email us at
cfpb_fairlending@cfpb.gov.

If you have questions about the HMDA Data Browser, please email our HMDA Operations team at **hmdahelp@cfpb.gov**.