

## HMDA Platform

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**Does the CFPB use the information to benefit or make a determination about an individual?**

No.

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**What is the purpose?**

Provide a platform for financial institutions to report HMDA data to the Bureau.

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**Are there controls to enforce accountability?**

Yes, all standard CFPB privacy protections and security controls apply.

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**What opportunities do I have for participation?**

The HMDA Platform does not have a public participation component.

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Consumer Financial  
Protection Bureau

# Overview

The Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”), Public Law No. 111-203, Title X, established the Consumer Financial Protection Bureau (“CFPB” or “Bureau”). The CFPB implements and enforces Federal consumer financial laws consistently to ensure that consumers have access to markets for consumer financial products and services, and that such markets are fair, transparent, and competitive.

The Home Mortgage Disclosure Act<sup>1</sup> (HMDA), which Congress enacted in 1975, requires certain financial institutions to collect, record, report, and disclose information about their mortgage lending information. Regulation C implements HMDA and sets out specific requirements for the collection, recording, reporting, and disclosure of mortgage lending information. The data-related requirements in HMDA and Regulation C serve three primary purposes: (1) to help determine whether financial institutions are serving their communities’ housing needs; (2) to assist public officials in distributing public investment to attract private investment; and (3) to assist in identifying possible discriminatory lending patterns and enforcing antidiscrimination statutes.

The Dodd-Frank Act transferred rulemaking authority for HMDA to the Bureau, effective July 2011. Among other changes, the Dodd-Frank Act expanded the scope of information relating to mortgage applications and loans that must be compiled, maintained, and reported under HMDA. On October 15, 2015, the Bureau issued a final rule (2015 HMDA Rule), which implements the Dodd-Frank Act amendments and makes other changes to Regulation C.<sup>2</sup>

Specifically, the 2015 HMDA rule modifies 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.<sup>3</sup>

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<sup>1</sup> 12 U.S.C. 2801–2810.

<sup>2</sup> See 80 Fed. Reg. 66127 (Oct. 28, 2015) (final rule); 80 Fed. Reg. 69567 (Nov. 11, 2015) (correction).

<sup>3</sup> The 2015 HMDA rule goes into effect in stages. In summary, most provisions of the 2015 HMDA rule go into effect on January 1, 2018 and apply to data collected in 2018 and reported in 2019 or later years. However, an institutional coverage change for depository institutions is effective January 1, 2017. A new quarterly reporting requirement is effective January 1, 2020. In August 2017, the Bureau also amended Regulation C amending Regulation C to make technical corrections to and to clarify certain requirements adopted by the Bureau’s 2015 HMDA Final Rule. See 80 Fed. Reg. 66127 (Aug. 24, 2017).

Beginning January 1, 2018, the CFPB will take over responsibility from the Board of Governors of the Federal Reserve System (“Board”) for receiving and processing HMDA data on behalf of the Federal HMDA agencies.<sup>4</sup> This Privacy Impact Assessment (PIA) concerns the deployment of the Bureau’s new HMDA Platform, which is the application used to report HMDA data. The HMDA Platform is a web-based data submission and edit-check system that will process HMDA data submitted by financial institutions.

The Bureau previously published a PIA on the [Republication of the Home Mortgage Disclosure Act Public Use Dataset](#) on ConsumerFinance.gov on December 3, 2013. That PIA discussed the republication of HMDA information on the Bureau’s website, and it will be revised as necessary to account for changes in HMDA implementation. The Bureau is also completing a separate PIA to address the collection of HMDA data, and it will be published prior to the Bureau’s collection of HMDA data in January 2018. This PIA discusses the application that the Bureau will use to facilitate the reporting of data.

A System of Records Notice is not required for the HMDA Platform; there are no direct personal identifiers in the HMDA Public Use Dataset and, thus, the dataset cannot be searchable by a direct personal identifier. The HMDA Platform does collect limited personal identifiers for contact information from the financial institutions, but often these are generic emails and phone numbers for the institution. The Bureau does not search the data collected through the HMDA Platform by these personal identifiers, though it may utilize these email addresses to provide future updates to all HMDA filers.

The information contained in the Datasets submitted through the HMDA Platform complies with the Paperwork Reduction Act and are provided by financial institutions to their respective federal regulators in accordance with the following information collections: Office of Management and Budget (OMB) Nos. 3170-0008 (CFPB), 1557-0159 (Office of the Comptroller of the Currency), 3064-0046 (Federal Deposit Insurance Corporation), 7100-0247 (Federal Reserve Board), 2502-0539 (US Department of Housing and Urban Development), and 3133-0166 (National Credit Union Administration).

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<sup>4</sup> Appropriate federal agencies are member agencies of the Federal Financial Institutions Examinations Council—the Bureau, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, and the National Credit Union Administration—as well as the Department of Housing and Urban Development (collectively, “Federal HMDA agencies”).

# Privacy Risk Analysis

The primary privacy risks associated with data covered by the HMDA Platform PIA are risks related to:

- Data Minimization,
- Data Quality and Integrity, and
- Security

*Data Minimization:* Because the HMDA Platform will serve as the submission method for HMDA information from all covered financial institutions, it will necessarily receive the full HMDA data set. For 2016, there were close to 7000 filers and over 16 million rows of HMDA data submitted by financial institutions. Because the collection of this large dataset is required by the Home Mortgage Disclosure Act of 1975 and Regulation C, the Bureau's ability to minimize the collection of the data elements is restricted. The Bureau provides the Platform, in part, to ensure that financial institutions are not able to submit additional fields beyond those provided in Regulation C. The Platform facilitates the collection of the information from the covered financial institutions by checking the information to ensure that all necessary information is provided and that the information is provided in the correct format. The HMDA Platform is expected to streamline the HMDA submission process and reduce burden on HMDA filers.

*Data Quality and Integrity:* Because the Bureau relies on the financial institution to provide accurate and current data, it does not independently verify that the data is accurate upon submission. The Platform is expected to increase the quality and integrity of the data provided by financial institutions by confirming that the information is formatted appropriately and satisfies certain requirements. The Platform will lead the financial institutions through a five-step process, which includes the review of any possible data inaccuracies, certifying the accuracy and completeness of the data, submitting the data, and receiving a confirmation receipt. Filers will know the stage they are in throughout the submission process, and they will know when their submissions for the filing period are complete. The privacy risks associated with data quality and integrity are minimal because the Bureau does not use any information collected through this interaction to deprive an individual of a right or benefit.

*Security:*

As with any large dataset, there is a risk that HMDA data could be subject to unauthorized access in transit to or while maintained by the CFPB. The system has been categorized as “Moderate” in accordance with the Federal Information Processing Standards Publication (“FIPS PUB”) 199. The Authority to Operate (“ATO”) for the HMDA Platform was granted December 22, 2017. The Bureau is responsible for securing the information after it has been submitted through the HMDA Platform. The Bureau takes strong measures to mitigate and address any risks to the security of sensitive data it receives, consistent with the guidance and standards set for Federal information security programs, and the Bureau is committed to protecting the information security of the HMDA data it receives from financial institutions. The financial institution is responsible for securing the information outside of the HMDA Platform. As with all systems the CFPB maintains and operates, there are internal controls to promote the appropriate use of information by CFPB employees. The CFPB provides its employees with appropriate privacy and security training to ensure information is used and secured appropriately.

The technical, physical, and administrative controls implemented to promote individual participation, data minimization, and accountability are appropriate.

# Privacy Risk Management

1. Describe what information the CFPB collects, how the information is collected, and the sources from which the information is collected.

The CFPB will collect HMDA data, from certain financial institutions, that are required by Regulation C regarding originations of, purchases of, and applications for covered loans.

In 2018, the CFPB will collect 2017 HMDA information from financial institutions that meet the institutional coverage criteria for depository institutions or other mortgage lending institutions as of December 31, 2016.

A depository institution is covered if it meets the following tests:

- Asset-size
- Location
- Loan activity
- Federally related
- Loan volume<sup>5</sup>

Certain other mortgage lending institutions are covered if they meet the following criteria:

- The institution is a for-profit mortgage lending institution that is not a bank, savings association, or credit union
- Loan volume or amount test
- Location test
- Asset-size or loan activity test

In 2018, financial institutions will submit HMDA information collected in 2017 to the CFPB about the following transactions:<sup>6</sup>

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<sup>5</sup> The 2015 HMDA rule narrows the scope of depository institutions subject to Regulation C in 2017. A bank, savings association, or credit union will not be required to collect HMDA data in 2017 unless it meets the asset-size, location, federally related, and loan activity tests under the current rule. In addition, it must also meet the loan volume threshold test for 2017, which means that, in each of the two preceding years, it originated at least 25 home purchase loans, including refinancings of home purchase loans.

<sup>6</sup> In 2018, home equity lines of credit for home purchase or home improvement may be reported at the institution's option.

- Home purchase loans
- Home improvement loans
- Refinancings

Starting in 2018, financial institutions will file required data elements through the CFPB HMDA platform as required by Regulation C.<sup>7</sup> Regulation C implements HMDA and sets out specific requirements for the collection, recording, reporting, and disclosure of mortgage lending information. For additional information about the data submitted, see the Home Mortgage Disclosure Act (HMDA) Data Collection Privacy Impact Assessment (forthcoming).

Beginning in 2018, the Bureau will collect the HMDA data in encrypted form via the HMDA Platform.<sup>8</sup> In order to gain access to the HMDA Platform, an authorized user from the financial institution must create a user account. The user from the financial institution will provide the user's first name, last name, email address, and select the institution(s) for which information will be submitted as part of the account creation process. The Bureau may also use the provided email address to communicate with and provide future HMDA related updates to the users.

Once a user account is established, a user can upload the HMDA data stored in a pipe-delimited formatted file onto the HMDA Platform. Once the file is parsed, the filer will be guided through the process of submitting HMDA data. In the final step of the process, the user will certify the accuracy and completeness of the data, and submit the data. Financial institutions are responsible for the security and integrity of their data prior to uploading to the HMDA Platform. The user can also use the platform to check on the status of the filing.

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<sup>7</sup> See Regulation C, 12 C.F.R. § 1003.1(c) (requiring certain financial institutions, including banks, savings associations, credit unions, and other mortgage lending institutions to report data about home purchase loans, home improvement loans, and refinancings that it originates or purchases, or for which it receives applications, and to disclose certain data to the public). See also 81 Fed. Reg. 93580 (Dec. 21, 2016) (establishing current \$44 million asset threshold for data collected in 2017).

<sup>8</sup> Submissions must be performed in accordance with the 2017 HMDA File Specifications available at <http://www.consumerfinance.gov/data-research/hmda/static/for-filers/2017/2017-HMDA-FIG.pdf> and the 2018 HMDA File Specifications available at <http://www.consumerfinance.gov/hmda/static/for-filers/2018/2018-HMDA-File-Specifications.pdf>, respectively.

## **2. Describe CFPB's objective for the information.**

Beginning in 2018, the Bureau will collect HMDA data on behalf of itself and the other Federal HMDA agencies.<sup>9</sup> The Bureau will use the HMDA data collected for purposes including:

- To determine whether financial institutions are serving the housing needs of their communities;
- To assist public officials in distributing public-sector investment so as to attract private investment to areas where it is needed; and
- To assist in identifying possible discriminatory lending patterns and enforce antidiscrimination statutes.

The Bureau determined that the HMDA data collected under the 2015 HMDA Rule significantly furthers the purposes of the statute. Additional information about specific uses, disclosures, and compatible purposes will be addressed in the forthcoming Data Collection PIA.

## **3. Describe how CFPB shares, for compatible purposes, any of the information with third parties, e.g. federal or state agencies, the general public.**

The CFPB will publish certain HMDA data on <http://www.consumerfinance.gov/hmda>. It will be available to the public, including federal and state agencies and private sector organizations. Beginning in 2018, the CFPB will take over responsibility from the Board of Governors of the Federal Reserve System (“Board”) for receiving and processing HMDA data on behalf of the CFPB, the Board, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the National Credit Union Administration, and the Department of Housing and Urban Development. These Federal HMDA agencies receive the processed HMDA data from the CFPB through periodic updates that can be downloaded from a secure transfer location. Just as the Board did, the CFPB may also make HMDA data available to certain other federal agencies, such as the Federal Housing Finance Agency, Federal Trade Commission, and the Department of Justice.

The Bureau also has an MOU with all Federal Financial Institutions Examination Council (FFIEC) agency members, which addresses data sharing of HMDA data with the FFIEC agency

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<sup>9</sup> See Regulation C appendix A.II, effective Jan. 1, 2018 (prescribing that a financial institution shall submit its loan/application register in electronic format to the appropriate federal agency at the address identified by such agency).

members. The Bureau also has a similar MOU with HUD which is a HMDA agency. Pursuant to this MOU and FFIEC Task Force decisions, the HMDA Platform will automatically transfer data to a secure location for FFIEC members.

**4. Describe what opportunities, if any, individuals to whom the information pertains have to (a) receive notice regarding the CFPB's use of the information; (b) consent to such use; (c) access the information that pertains to them; or (d) obtain redress.**

The HMDA Platform contains information that is not collected directly from individuals. However, financial institutions provide consumers with a HMDA disclosure form that states that Federal law requires certain information to be collected in order to protect consumers and to monitor compliance with Federal statutes that prohibit discrimination against applicants on certain bases. The HMDA Platform does not collect any information that directly identifies an individual applicant or borrower. Although the Bureau may collect contact information for the financial institutions, this consists of business email addresses, phone numbers, and street locations for the institutions.

There are no opportunities available for individuals to consent to an institution's reporting of HMDA data. Further, the CFPB does not provide opportunities to the individual to access information that pertains to them that has been reported, or to obtain redress.

**5. Explain the standards and relevant controls that govern the CFPB's—or any third party contractor(s) acting on behalf of the CFPB—collection, use, disclosure, retention, or disposal of information.**

The CFPB complies with the Privacy Act of 1974, Right to Financial Privacy Act, and E-Government Act of 2002; the CFPB voluntarily adopts Office of Management and Budget privacy-related guidance as best practice;<sup>10</sup> and applies National Institute of Standards and Technology (NIST) risk management processes for privacy. Security controls for the HMDA Platform are robust and based on the CFPB's cloud computing environment.

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<sup>10</sup> Although pursuant to Section 1017(a)(4)(E) of the Consumer Financial Protection Act, Pub. L. No. 111-203, the CFPB is not required to comply with OMB-issued privacy guidance, the Bureau voluntarily follows OMB privacy-related guidance as a best practice and to facilitate cooperation and collaboration with other agencies.

The CFPB uses the following technical and administrative controls to secure the information and create accountability for the Bureau's appropriate collection, use, disclosure, and retention of the information:

#### Access Control

- Role-based Access Controls based on least privilege and need-to-know

#### Change Management

- All changes to HMDA systems shall be documented and approved via CFPB processes (i.e. Release Management, Change Control Board, Engineering Review Board)

#### Awareness & Training

- CFPB Personnel Privacy Training, including annual and role-based training

#### Operations & Maintenance

- Extract logging and 90-day reviews

#### Federally-Mandated Compliance

- Federal Information Security Management Act (FISMA) Compliance
- NIST 800-30 Compliance
- NIST 800-37 Compliance
- NIST 800-53 Compliance
- Compliance with OMB Guidelines for Ensuring and Maximizing the Quality, Objectivity, Utility, Security, and Integrity of Information Disseminated by Federal Agencies
- Records Schedule Submitted to/Approved by National Archives and Records Administration (NARA): Records will be disposed of according to the applicable records schedule

#### Audit & Accountability

- Information Quality and Integrity Checks

#### Incident Response

- Audit Logs and Reviews

- CFPB Privacy Incident Response and Recovery Plan and contractual obligations for third parties to support CFPB Privacy Incident Response and Recovery Plan (in conjunction with Cybersecurity Incident Response and Recovery Planning)

#### Authentication / Identity, Control, and Access Control (ICAM)

- Enterprise Identity Naming Standards

#### Physical Security

- Personnel Security supported through due diligence screening

#### CFPB Policies, Guidelines and Standards

- Compliance with CFPB Cybersecurity policy and procedures
  - Cybersecurity Program Policy
  - Risk Management Process
  - Risk Assessment Methodology
- Policy and Standard Operating Procedures

Specific applications of these controls to the HMDA Platform include:

- Requiring modern Web browsers to submit HMDA data, limiting the opportunity for software vulnerabilities
- Requiring digital signatures from an authorized individual from the financial institution to promote authentication, data integrity, and non-repudiation
- Employing a secure means of transfer of data from the reporting financial institution to CFPB
- Leveraging the National Address Database to support accurate geocoding of HMDA data by financial institutions

The CFPB may use contractors to help support the collection, use, disclosure, or retention of information covered by this PIA, and those contractors are subject to similar controls.

Contractors with access to PII are required to report suspected or confirmed privacy breaches to the CFPB as soon as possible and without unreasonable delay. Other requirements placed on

contractors may include training on privacy and compliance with federal privacy requirements and Federal Acquisition Regulations.

**6. Discuss the role of third party(ies) that collaborate or partner with the CFPB, if any. Identify any controls used to protect against inappropriate collection, use, disclosure, or retention of information. (This does not include third parties acting on behalf of the CFPB, e.g., government contractors discussed in Question 5.)**

The Bureau looks to collaborate with third parties as appropriate. Additional information is forthcoming in the HMDA Data Collection PIA.

In all of these instances, controls are put in place to protect against inappropriate collection, use, disclosure, and retention depending on the type of sharing or data involved. Depending on the particular sharing typical controls might include:

- Compliance with all federally mandated policies and standards
- Compliance with CFPB internal policies and standards, including cybersecurity policies and procedures
- Data quality and integrity checks
- Data encryption
- Transmission protections
- Extract logging and 90-day reviews
- Role-based Access Controls

# Document control

## Approval

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Katherine Sickbert on behalf of Jerry Horton

Chief Information Officer

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Robert Johnson on behalf of Claire Stapleton

Chief Privacy Officer

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Michael Byrne

HMDA Operations Lead

# Change control

Version	Summary of material changes	Pages affected	Date of change
1	New.	All	12/22/17