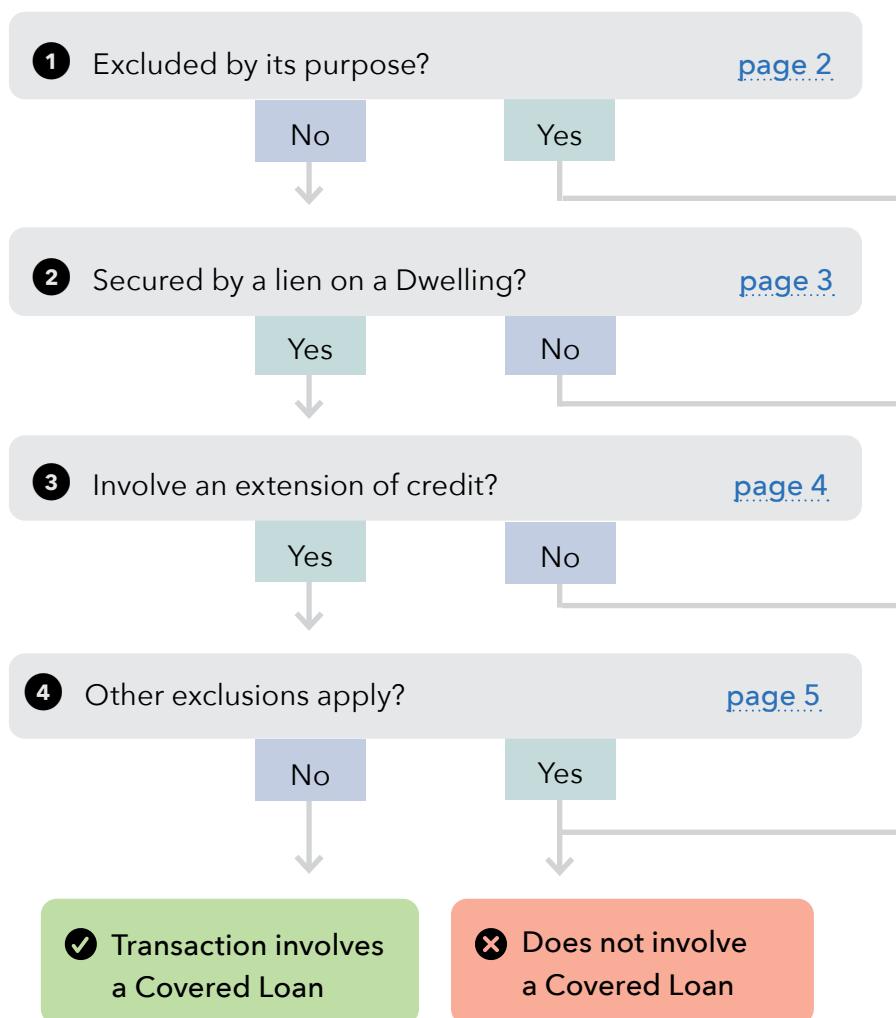


Effective January 1, 2023

Under HMDA and Regulation C, a transaction is reportable only if it is an Application for, an origination of, or a purchase of a Covered Loan. These materials illustrate one approach to help determine whether a transaction involves a Covered Loan. If the transaction involves a Covered Loan, it is reported only if the institution meets the applicable loan-volume thresholds. Terms that are defined in Regulation C are capitalized in this document for ease of reference. Click on the numbers below to view the instructions for each step.

Does the transaction involve a Covered Loan?



This is a compliance aid issued by the Consumer Financial Protection Bureau. The Bureau published a policy statement on compliance aids, available at www.consumerfinance.gov/rules-policy/final-rules/policy-statement-compliance-aids, that explains the Bureau's approach to compliance aids. Version 5.0, 2/22/2023

1 Is the transaction excluded by its purpose?

Is the transaction primarily for agricultural purposes?

NOTE: Agricultural-purpose transactions include transactions that are secured by a Dwelling that is located on real property that is used primarily for agricultural purposes. § 1003.3(c)(9)

No

Yes

Is the transaction otherwise made primarily for a business or commercial purpose? § 1003.3(c)(10)

No

Yes

Is the transaction also:

- a Home Improvement Loan? § 1003.2(i),
- a Home Purchase Loan? § 1003.2(j),
or
- a Refinancing? (Including cash-out Refinancing) § 1003.2(p)

Yes

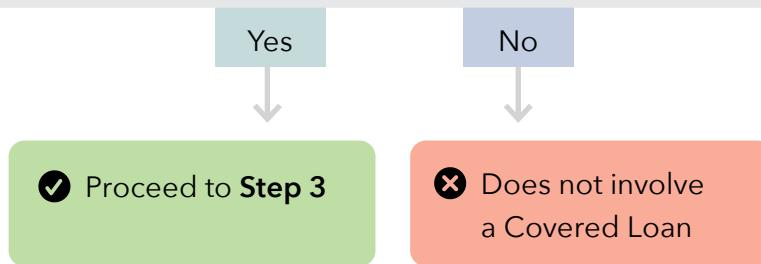
No

 Proceed to **Step 2**

 Does not involve
a Covered Loan

② Is the transaction secured by a lien on a Dwelling?¹

Is the transaction secured by a lien on a Dwelling?¹

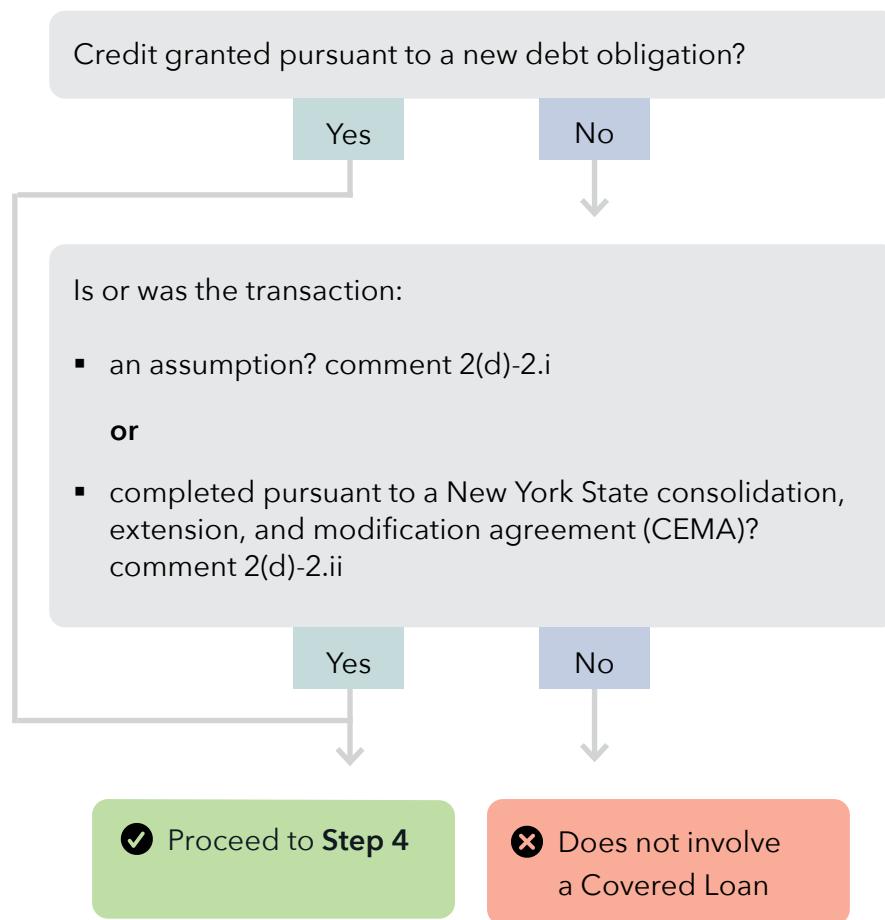


Use the table below to help determine whether the transaction is secured by a lien on a Dwelling.

Single family structures	Multifamily structures	Mixed-use purposes
Dwelling <ul style="list-style-type: none">▪ Principal residences▪ Second homes▪ Vacation homes▪ Manufactured Homes or other factory built homes▪ Investment properties▪ Individual condominium units▪ Detached homes▪ Individual cooperative units	Dwelling <ul style="list-style-type: none">▪ Apartment buildings or complexes▪ Manufactured home communities▪ Condominium buildings or complexes▪ Cooperative buildings or complexes	Dwelling <ul style="list-style-type: none">▪ Mixed-use property if primary use is residential▪ Properties for long-term housing and related services (such as assisted living for senior citizens or supportive housing for people with disabilities)▪ Properties for long-term housing and medical care if primary use is residential
Not a Dwelling <ul style="list-style-type: none">▪ Transitory residences▪ Recreational vehicles▪ Boats▪ Campers▪ Travel trailers▪ Park model RVs▪ Floating homes▪ Houseboats▪ Mobile homes constructed before June 15, 1976	Not a Dwelling <ul style="list-style-type: none">▪ Transitory residences▪ Hotels▪ Hospitals and properties used to provide medical care (such as skilled nursing, rehabilitation, or long-term medical care)▪ College dormitories▪ Recreational vehicle parks	Not a Dwelling <ul style="list-style-type: none">▪ Mixed-use property if primary use is not residential▪ Transitory residences▪ Structures originally designed as Dwellings but used exclusively for commercial purposes▪ Properties for long-term housing and medical care if primary use is not residential

¹Dwelling means a residential structure, whether or not attached to real property. § 1003.2(f) and comments 2(f)-1 through -5.

③ Does the transaction involve an extension of credit?²



² Generally under Regulation C, an extension of credit refers to the granting of credit only pursuant to a new debt obligation. If the transaction modifies, renews, extends, or amends the terms of an existing debt obligation, but the existing debt obligation is not satisfied and replaced, the transaction is not a new extension of credit, unless it falls within the two exceptions noted above. § 1003.2(d) and (o), and comments 2(d)-2 and 2(o)-2

④ Do other exclusions apply? § 1003.3(c)(1) through (8) and (c)(13)

Is or was the transaction:

- originated or purchased by the Financial Institution acting in a fiduciary capacity?
- secured by a lien on unimproved land?
- temporary financing?
- the purchase of an interest in a pool of otherwise Covered Loans, such as mortgage-participation certificates, mortgage-backed securities, or real estate mortgage investment conduits?
- the purchase solely of the right to service an otherwise Covered Loan?
- a purchase as part of a merger or acquisition, or as part of the acquisition of all of the assets and liabilities of a branch office?
- for a total dollar amount that is less than \$500?
- a purchase of a partial interest in an otherwise Covered Loan?
- to provide new funds in advance of a consolidation agreement completed pursuant to a New York State CEMA where consolidation occurred in the same year as final action on the transaction?

If **NO** to **all** of the questions

If **YES** to **any** of the questions

✓ Transaction involves a Covered Loan

✗ Does not involve a Covered Loan

✓ Transaction involves a Covered Loan

Regulation C provides different loan-volume reporting thresholds for transactions that involve a Covered Loan depending on whether they involve a Closed-End Mortgage Loan or an Open-End Line of Credit. § 1003.3(c)(11) and (12). Reporting is required if a threshold is met in each of the two preceding calendar years.³ (See Institutional coverage chart effective January 1, 2023 for guidance regarding institutional coverage.)

Closed-End Mortgage Loan § 1003.2(d)

Lending activity

Originated at least **25 Closed-End Mortgage Loans** in each of the two preceding calendar years?

§ 1003.3(c)(11)

Yes

No

Data reporting

Required to report all Closed-End Mortgage Loan Applications, originations, and purchases

Not required to report Closed-End Mortgage Loan Applications, originations, and purchases

Open-End Line of Credit § 1003.2(o)

Lending activity

Originated at least **200 Open-End Lines of Credit** in each of the two preceding calendar years?

§ 1003.3(c)(12)

Yes

No

Data reporting

Required to report all Open-End Lines of Credit Applications, originations, and purchases

Not required to report Open-End Lines of Credit Applications, originations, and purchases

- Only **originated** Covered Loans count toward the loan-volume thresholds. If a threshold is met, the institution reports all Applications for Covered Loans that it receives, Covered Loans that it originates, and Covered Loans that it purchases for that type of transaction (either Closed-End Mortgage Loan or Open-End Line of Credit, or both, if both thresholds are met).
- Covered consumer and business or commercial purpose originations should be counted together when assessing the individual thresholds for Closed-End Mortgage Loans and Open-End Lines of Credit.
- A financial institution may voluntarily report Closed-End Mortgage Loans or Open-End Lines of Credit that are excluded because the financial institution does not meet the transactional threshold for that type of transaction. However, if it chooses to voluntarily report Closed-End Mortgage Loans or Open-End Lines of Credit, the financial institution must report all such transactions that would otherwise be covered loans for that calendar year.

³This chart is effective January 1, 2023. Prior to January 1, 2022, the open-end line of credit threshold was temporarily set at 500.