



1700 G Street NW, Washington, DC 20552

October 10, 2019

# Executive Summary of the 2019 Home Mortgage Disclosure (Regulation C) Final Rule

On October 10, 2019, the Consumer Financial Protection Bureau (Bureau) issued a final rule amending Regulation C. The final rule extends to January 1, 2022 the current temporary threshold of 500 open-end lines of credit for reporting data about open-end lines of credit. The final rule also incorporates into Regulation C the interpretations and procedures from the August 2018 interpretive and procedural rule the Bureau issued (2018 Rule)<sup>1</sup> to implement and clarify the HMDA partial exemptions created by the Economic Growth, Regulatory Relief and Consumer Protection Act (EGRRCPA) and further implements the partial exemptions.<sup>2</sup>

This summary provides an overview of the 2019 amendments to Regulation C. However, it is not a substitute for reviewing the final rule. The final rule is the definitive source regarding its requirements.

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<sup>1</sup> Partial Exemptions from the Requirements of the Home Mortgage Disclosure Act Under the Economic Growth, Regulatory Relief, and Consumer Protection Act (Regulation C), 83 FR 45325 (Sept. 7, 2018).

<sup>2</sup> Public Law No. 115-174, 132 Stat. 1296 (2018).

## Background

In May 2019, the Bureau issued a notice of proposed rulemaking (NPRM)<sup>3</sup> that would amend Regulation C to:

1. Increase the current 25-loan coverage threshold for reporting data about closed-end mortgage loans;
2. Extend to January 1, 2022 the current temporary coverage threshold of 500 open-end lines of credit for reporting data about open-end lines of credit and set the permanent coverage threshold at 200 open-end lines of credit upon expiration of the proposed extension; and
3. Incorporate into Regulation C the 2018 Rule and further implement the EGRRCPA.

The comment period for the NPRM closed on June 12, 2019. On July 31, 2019, the Bureau reopened the comment period for certain aspects of the NPRM until October 15, 2019 to allow interested parties adequate time to consider the 2018 HMDA Data (which were released on August 30, 2019).<sup>4</sup> The Bureau explained at that time that it did not believe that additional comment on the 2018 HMDA data was necessary for the Bureau to determine whether to finalize the proposed two-year extension of the temporary open-end threshold or the proposals relating to the EGRRCPA partial exemptions. This final rule addresses those proposed provisions. The Bureau intends to address the proposed permanent coverage thresholds for closed-end mortgage loans and open-end lines of credit in a later final rule.

## Final Rule

### Open-End Coverage Threshold

The final rule extends to January 1, 2022 the current temporary threshold of 500 open-end lines of credit for open-end institutional and transactional coverage. For data collection years 2020 and 2021, financial institutions that originated fewer than 500 open-end lines of credit in either of the

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<sup>3</sup> Home Mortgage Disclosure (Regulation C), 84 FR 20972 (May 13, 2019).

<sup>4</sup> Home Mortgage Disclosure Act (Regulation C); Reopening of Comment Period, 84 FR 37804 (Aug. 2, 2019). Specifically, the Bureau reopened the comment period with respect to: (1)The Bureau's proposed amendments to the permanent coverage threshold for closed-end mortgage loans; (2)The Bureau's proposed amendments to the permanent coverage threshold for open-end lines of credit; and (3)The appropriate effective date for any amendment to the closed-end coverage threshold.

two preceding calendar years will not need to collect, record, or report data with respect to open-end lines of credit.

## Incorporating the EGRRCPA Partial Exemptions into Regulation C

The final rule incorporates into Regulation C the interpretations and procedures from the 2018 Rule. Specifically, the 2018 Rule:

1. Clarified that insured depository institutions and insured credit unions covered by a partial exemption may, at their option, report exempt data fields as long they report all data fields that the data point comprises;
2. Clarified that only loans and lines of credit that are otherwise reportable under Regulation C count towards the thresholds for the partial exemptions;
3. Clarified which of the data points in Regulation C are covered by the partial exemptions;
4. Designated a non-universal loan identifier for certain partially exempt transactions; and
5. Clarified the exception to the partial exemptions for insured depository institutions with less than satisfactory Community Reinvestment Act (CRA) examination history

The final rule further implements the EGRRCPA by addressing certain issues relating to the partial exemptions that the 2018 Rule did not address, such as how to determine whether a partial exemption applies after a merger or acquisition.

## Effective Date

The final rule is effective on January 1, 2020.

## Additional Resources and Implementation Support

The Bureau has released an unofficial, informal redline to assist industry and other stakeholders in reviewing the final rule's amendments to the regulatory text and commentary in Regulation C.