1. B.) Perform quality assessment on those Loan\_Amount\_000 and Respondent\_Name. Go ahead and go beyond simple descriptive statistics; provide rules or techniques for quality monitoring that can be applied each year the data gets updated.

**Answer**:

The accuracy and completeness of HMDA data is critical to fair and responsible lending risk management. HMDA data quality is at the top of a very long list of regulatory risks. Board and management oversight, training and education, policies and procedures, and independent reviews are key components of HMDA data integrity risk management. The usual techniques are:

* Monitoring and testing programs, internal audits, quality control functions and ultimately HMDA “scrubs” ensures more accuracy.
* Reviewing data collection procedures and documentation, interviewing those responsible for data analysis, checking a sample of the data for errors etc are some of the common techniques that can be carried out at the collection point.
* **Loan amount checks** should involve first checking the type and then analyzing if the amount obeys all compliance criteria like conforming limit, government stipulated conditions etc. This can be set
* Data quality review programs should include both **errors and omissions testing**.
* Perform checks on the following stipulations for **lending institutions**. The responding institution must satisfy the following conditions based on whether they are depository or non-depository:
* The **loan-volume thresholds** require an institution that originated at least 25 closed-end mortgage loans or at least 100 open-end lines of credit in each of the two preceding calendar years to report HMDA data.
* **Institutional coverage** criteria for **depository institutions**, requires reporting by depository institutions that satisfy an asset-size threshold, have a branch or home office in an Metropolitan Statistical Area (MSA) on the preceding December 31, satisfy the current federally related test, and originated at least one first-lien home purchase loan or refinancing secured by a one- to four-unit dwelling in the previous calendar yea
* For **non-depository institutions**, rule removes the current asset-size or loan volume threshold, but retains the current criterion that the institution has a branch or home office in an MSA on the preceding December 31.