

LENDERS UPDATE™

ALT & ASSOCIATES NEWSLETTER

A COMPLIMENTARY SERVICE TO THE MORTGAGE LENDING INDUSTRY

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NEW RULES ABOUT COLLECTING BORROWER'S DATA

Last year the CFPB published its final Rule modifying the Home Mortgage Disclosure Act or "HMDA". Generally, the changes become effective January 1, 2018 with the first reports due under the new regulations on March 1, 2019. The modifications cover issues such as;

- types of institutions covered,
- types of transactions subject to the rule,
- information to be collected and reported,
- news tools to report data, and
- how institutions should begin to prepare for the new changes.

On September 29, the CFPB announced a small but significant change to these Rules. The announcement may be found at:

https://www.gpo.gov/fdsys/pkg/FR-2016-09-29/pdf/2016-23555.pdf?utm_campaign=subscription%20mailing%20list&utm_source=federalregister.gov&utm_medium=email








Generally Reg B prohibits a creditor from inquiring about the race, color, religion, national origin or sex of an applicant or any other person in connection with a transaction. However, creditors are required to report information about race and ethnicity for monitoring purposes for certain dwelling secured loans.

The new Rule will require financial institutions to permit applicants to self-identify using disaggregated ethnic and racial categories beginning January 1, 2018. However, according to the old and new rule this would not be allowed before that date. However, on reconsideration the Bureau believes that allowing institutions to adopt this procedure earlier would be helpful to assure compliance and assist implementation.

Therefore, at any time after January 1, 2017, a creditor may, at its option, permit applicants to self-identify as allowed in the new Rule.

Also, on a different note, attached to the announcement concerning HMDA at the site referenced above, is the new Uniform Residential Loan Application. The CFPB announced its finding that the form is in compliance with applicable regulatory provisions.

Alt & Associates publishes the Lenders Update via e-mail as a complimentary service to our friends and clients in the financial industry throughout California and the United States. Over the past three decades, members of the firm have represented Institutional Lenders and Mortgage Bankers and Brokers in all aspects of their business operations. Legal counsel provided to the mortgage industry includes, but is not limited to:

-  Regulatory assistance, both state and federal**
-  Compliance work**
-  Operational advice**
-  Transactional work**
-  Agreements such as Loan Officer Compensation Agreements etc.**
-  Various forms of employee, officer, and/or manager contracts**
-  Litigation representation**

You may direct any questions or comments directly to:

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