

LENDERS UPDATE™

ALT & ASSOCIATES NEWSLETTER

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NEW HMDA REPORTING RULES

Yesterday the Consumer Financial Protection Bureau issued a new Rule which finalizes portions of a Rule proposed earlier this year, concerning HMDA reporting.

As revised, the Rule provides:

- A two year extension of the effective date of the current threshold for collecting reporting data for open-end lines of credit under HMDA. The new expiration date is set for January 1, 2022. For the years 2020 and 2021, financial institutions that originate fewer than 500 open-end lines of credit will not need to collect and report data with respect to open-end lines of credit.
- The Rule also clarifies partial exemptions from certain HMDA requirements for data collection years 2020 and 2021, and implements further the partial exemptions from HMDA's requirements that the Economic Growth Regulatory Relief and Consumer Protection Act ("EGRRCPA") recently added to HMDA. The Bureau's announcement of the new provisions states, in part:

The 2018 HMDA Rule clarifies that insured depository institutions and insured credit unions covered by a partial exemption have the option of reporting exempt data fields as long as they report all data fields within any exempt data point for which they report data; clarifies that only loans and lines of credit that are otherwise HMDA reportable count toward the thresholds for the partial exemptions;, designates a non-universal loan identifier for partially exempt transactions for institutions that choose not to report a universal loan identifier; and clarifies the exception to the partial exemptions for insured depository institutions with less than satisfactory examination histories under the Community Reinvestment Act of 1977 (CRA). The final rule further implements the EGRRCPA by addressing certain additional interpretive issues relating to the partial exemptions that the 2018 HMDA Rule did not specifically address, such as how to determine whether a partial exemption applies to a transaction after a merger or acquisition.

- The initial proposal also suggested raising the permanent coverage thresholds for closed-end mortgage loans and open-end lines of credit. The Bureau previously reopened the comment period for this issue until October 15, 2019. The Bureau intends to issue a separate final rule in 2020 addressing these thresholds.

The final HMDA Rule may be found at:

https://files.consumerfinance.gov/f/documents/cfpb_hmda_final-rule-2019.pdf.

ABOUT ALT & ASSOCIATES

Alt & Associates publishes the *Lenders Update* via e-mail as a complimentary service to our friends and clients in the financial industry in California and throughout 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
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You may direct any questions or comments directly to:

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