

HOME MORTGAGE DISCLOSURE ADJUSTMENT ACT

JANUARY 8, 2018.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HENSARLING, from the Committee on Financial Services, submitted the following

R E P O R T

together with

MINORITY VIEWS

[To accompany H.R. 2954]

[Including cost estimate of the Congressional Budget Office]

The Committee on Financial Services, to whom was referred the bill (H.R. 2954) to amend the Home Mortgage Disclosure Act of 1975 to specify which depository institutions are subject to the maintenance of records and disclosure requirements of such Act, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Home Mortgage Disclosure Adjustment Act”.

SEC. 2. DEPOSITORY INSTITUTIONS SUBJECT TO MAINTENANCE OF RECORDS AND DISCLOSURE REQUIREMENTS.

(a) **IN GENERAL.**—Section 304 of the Home Mortgage Disclosure Act of 1975 (12 U.S.C. 2803) is amended—

(1) by redesignating subsection (i) as paragraph (3) and adjusting the margins accordingly; and

(2) by inserting before paragraph (3), as so redesignated, the following:

“(i) **EXEMPTIONS.**—

“(1) **CLOSED-END MORTGAGE LOANS.**—With respect to a depository institution, the requirements of paragraphs (5) and (6) of subsection (b) shall not apply with respect to closed-end mortgage loans if the depository institution originated less than 500 closed-end mortgage loans in each of the 2 preceding calendar years.

“(2) **OPEN-END LINES OF CREDIT.**—With respect to a depository institution, the requirements of paragraphs (5) and (6) of subsection (b) shall not apply with

respect to open-end lines of credit if the depository institution originated less than 500 open-end lines of credit in each of the 2 preceding calendar years.”.

(b) TECHNICAL CORRECTION.—Section 304(i)(3) of the Home Mortgage Disclosure Act of 1975, as so redesignated by subsection (a)(1), is amended by striking “section 303(2)(A)” and inserting “section 303(3)(A)”.

PURPOSE AND SUMMARY

Introduced on June 20, 2017, by Representative Emmer, the “Home Mortgage Disclosure Adjustment Act” amends the Home Mortgage Disclosure Act of 1975 to create an exemption from certain records and disclosure requirements for depository institutions that have originated in each of the two preceding calendar years fewer than 500 closed-end mortgage loans, or fewer than 500 open-end lines of credit.

BACKGROUND AND NEED FOR LEGISLATION

In 1975, Congress enacted and President Ford signed into law the Home Mortgage Disclosure Act (HMDA). The Federal Reserve Board’s Regulation C implemented HMDA. On July 21, 2011, pursuant to Title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act the Consumer Financial Protection Bureau (CFPB) received the rule-writing authority of Regulation C. Over time HMDA has expanded originally aimed at basic monitoring and redlining prevention, to one widely used by regulators and advocates as a fair lending tool. It requires many depository institutions, including banks, savings associations, credit unions, and other mortgage lending institutions to report information about the home loans that they decision, originate, or purchase.

Section 1094 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) directed the Consumer Financial Protection Bureau (CFPB) to expand HMDA data reporting requirements to include additional information about the applicants, lenders, and loans. In October 2015, the CFPB released a final rule amending Regulation C, which implements the HMDA and requires most lenders to report certain information about mortgage applications and loans in efforts to create transparency in the mortgage lending process. The final rule reflects the CFPB’s belief “that the HMDA data must be updated to address the informational shortcomings exposed by the financial crisis and to meet the needs of homeowners, potential homeowners, and neighborhoods throughout the nation.”¹

The final rule, among other things, requires covered banks and credit unions to collect 48 unique data fields on each mortgage loan they make beginning January 1, 2018—more than double the number of data fields covered lenders are currently required to collect and beyond the number of fields statutorily required by the Dodd-Frank Act.

The cost of compliance for HMDA is so great that many small banks are considering whether to abandon the mortgage business all-together. This legislation provides much needed regulatory relief for smaller institutions if they have originated in each of the two preceding calendar years fewer than 500 closed-end mortgage loans, and fewer than 500 open-end lines of credit.

¹ See 80 FR 66127

HEARINGS

The Committee on Financial Services held a hearing examining matters relating to H.R. 2954 on April 26, 2017, and April 28, 2017.

COMMITTEE CONSIDERATION

The Committee on Financial Services met in open session on October 11, 2017, October 12, 2017, and ordered H.R. 2954 to be reported favorably to the House as amended by a recorded vote of 36 yeas to 24 nays (Record vote no. FC-79), a quorum being present. Before the motion to report was offered, the Committee adopted an amendment in the nature of a substitute offered by Mr. Emmer by voice vote.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the record votes on the motion to report legislation and amendments thereto. The sole recorded vote was on a motion by Chairman Hensarling to report the bill favorably to the as amended. The motion was agreed to by a recorded vote of 36 yeas to 24 nays (Record vote no. FC-79), a quorum being present.

Record vote no. FC-79

Representative	Yea	Nay	Present	Representative	Yea	Nay	Present
Mr. Hensarling	X			Ms. Maxine Waters (CA)		X	
Mr. McHenry	X			Mrs. Carolyn B. Maloney (NY)		X	
Mr. King	X			Ms. Velázquez		X	
Mr. Royce (CA)	X			Mr. Sherman		X	
Mr. Lucas	X			Mr. Meeks		X	
Mr. Pearce	X			Mr. Capuano		X	
Mr. Posey	X			Mr. Clay		X	
Mr. Luetkemeyer	X			Mr. Lynch		X	
Mr. Huizenga	X			Mr. David Scott (GA)	X		
Mr. Duffy	X			Mr. Al Green (TX)		X	
Mr. Stivers	X			Mr. Cleaver		X	
Mr. Huitgren	X			Ms. Moore		X	
Mr. Ross	X			Mr. Ellison		X	
Mr. Pittenger	X			Mr. Perlmutter	X		
Mrs. Wagner	X			Mr. Himes		X	
Mr. Barr	X			Mr. Foster		X	
Mr. Rothfus	X			Mr. Kildee		X	
Mr. Messer	X			Mr. Delaney		X	
Mr. Tipton	X			Ms. Sinema		X	
Mr. Williams	X			Mrs. Beatty		X	
Mr. Poliquin	X			Mr. Heck		X	
Mrs. Love	X			Mr. Vargas		X	
Mr. Hill	X			Mr. Gottheimer		X	
Mr. Emmer	X			Mr. Gonzalez (TX)		X	
Mr. Zeldin	X			Mr. Crist		X	
Mr. Trott	X			Mr. Kihuen		X	
Mr. Loudermilk	X						
Mr. Mooney (WV)	X						
Mr. MacArthur	X						
Mr. Davidson	X						
Mr. Budd	X						
Mr. Kustoff (TN)	X						
Ms. Tenney	X						
Mr. Hollingsworth	X						

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the findings and recommendations of the Committee based on oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Representatives, are incorporated in the descriptive portions of this report.

PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee states that H.R. 2954 will amend the Home Mortgage Disclosure Act of 1975 by providing for a limited exemption from disclosure requirements for small depository institutions.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the estimate of new budget authority, entitlement authority, or tax expenditures or revenues contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

CONGRESSIONAL BUDGET OFFICE ESTIMATES

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, December 5, 2017.

Hon. JEB HENSARLING,
Chairman, Committee on Financial Services, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 2954, the Home Mortgage Disclosure Adjustment Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Stephen Rabent.

Sincerely,

KEITH HALL,
Director.

Enclosure.

H.R. 2954—Home Mortgage Disclosure Adjustment Act

Under current law, depository institutions are required to collect and periodically report to federal financial regulatory agencies information related to the number and dollar value of closed-end loans and open-end lines of credit that those institutions originate

or purchase each year.¹ Depository institutions now must itemize and disclose that information in numerous categories. The Consumer Financial Protection Bureau (CFPB) currently exempts some institutions from reporting information about closed-end loans or open-end lines of credit if the number of loans or accounts is below a threshold for each type of credit instrument. H.R. 2954 would modify the thresholds to qualify for an exemption from some of the reporting requirements.

Using information from CFPB, CBO estimates that enacting H.R. 2954 would cost the agency \$1 million over the 2018–2027 period to complete a rulemaking and update its data collection systems. Those costs are recorded in the budget as direct spending. Because enacting H.R. 2954 would affect direct spending, pay-as-you-go procedures apply. Enacting the bill would not affect revenues.

CBO estimates that enacting H.R. 2954 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 2954 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Stephen Rabent. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.

FEDERAL MANDATES STATEMENT

This information is provided in accordance with section 423 of the Unfunded Mandates Reform Act of 1995.

The Committee has determined that the bill does not contain Federal mandates on the private sector. The Committee has determined that the bill does not impose a Federal intergovernmental mandate on State, local, or tribal governments.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of the section 102(b)(3) of the Congressional Accountability Act.

EARMARK IDENTIFICATION

With respect to clause 9 of rule XXI of the Rules of the House of Representatives, the Committee has carefully reviewed the provisions of the bill and states that the provisions of the bill do not contain any congressional earmarks, limited tax benefits, or limited tariff benefits within the meaning of the rule.

¹ Closed-end loans, such as mortgages and car loans, are acquired for a particular purpose and for a set period. Open-end lines of credit, such as credit card accounts, are not restricted to a specific use or duration.

DUPLICATION OF FEDERAL PROGRAMS

In compliance with clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee states that no provision of the bill establishes or reauthorizes: (1) a program of the Federal Government known to be duplicative of another Federal program; (2) a program included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111-139; or (3) a program related to a program identified in the most recent Catalog of Federal Domestic Assistance, published pursuant to the Federal Program Information Act (Pub. L. No. 95-220, as amended by Pub. L. No. 98-169).

DISCLOSURE OF DIRECTED RULEMAKING

Pursuant to section 3(i) of H. Res. 5, (115th Congress), the following statement is made concerning directed rulemakings: The Committee estimates that the bill requires no directed rulemakings within the meaning of such section.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

This section cites H.R. 2954 as the “Home Mortgage Disclosure Adjustment Act.”

Section 2. Depository institutions subject to maintenance of records and disclosure requirements

This section amends the Home Mortgage Disclosure Act of 1975 to exempt a depository institution from maintenance of mortgage loan records and disclosure requirements: (1) with respect to closed-end mortgage loans, if the depository institution originated fewer than 500 such loans in each of the two preceding years; or (2) with respect to open-end lines of credit, if the depository institution originated fewer than 500 such lines of credit in each of the two preceding years.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

HOME MORTGAGE DISCLOSURE ACT OF 1975

* * * * *

TITLE III—HOME MORTGAGE DISCLOSURE

* * * * *

MAINTENANCE OF RECORDS AND PUBLIC DISCLOSURE

SEC. 304. (a)(1) Each depository institution which has a home office or branch office located within a primary metropolitan statistical area, metropolitan statistical area, or consolidated metropolitan statistical area that is not comprised of designated primary metropolitan statistical areas, as defined by the Department of Commerce shall compile and make available, in accordance with regulations of the Board, to the public for inspection and copying at the home office, and at least one branch office within each primary metropolitan statistical area, metropolitan statistical area, or consolidated metropolitan statistical area that is not comprised of designated primary metropolitan statistical areas in which the depository institution has an office the number and total dollar amount of mortgage loans which were (A) originated (or for which the institution received completed applications), or (B) purchased by that institution during each fiscal year (beginning with the last full fiscal year of that institution which immediately preceded the effective date of this title).

(2) The information required to be maintained and made available under paragraph (1) shall also be itemized in order to clearly and conspicuously disclose the following:

(A) The number and dollar amount for each item referred to in paragraph (1), by census tracts for mortgage loans secured by property located within any county with a population of more than 30,000, within that primary metropolitan statistical area, metropolitan statistical area, or consolidated metropolitan statistical area that is not comprised of designated primary metropolitan statistical areas, otherwise, by county, for mortgage loans secured by property located within any other county within that standard metropolitan statistical area.

(B) The number and dollar amount for each item referred to in paragraph (1) for all such mortgage loans which are secured by property located outside that primary metropolitan statistical area, metropolitan statistical area, or consolidated metropolitan statistical area that is not comprised of designated primary metropolitan statistical areas.

For the purpose of this paragraph, a depository institution which maintains offices in more than one primary metropolitan statistical area, metropolitan statistical area, or consolidated metropolitan statistical area that is not comprised of designated primary metropolitan statistical areas shall be required to make the information required by this paragraph available at any such office only to the extent that such information relates to mortgage loans which were originated or purchased (or for which completed applications were received) by an office of that depository institution located in the primary metropolitan statistical area, metropolitan statistical area, or consolidated metropolitan statistical area that is not comprised of designated primary metropolitan statistical areas in which the office making such information available is located. For purposes of this paragraph, other lending institutions shall be deemed to have a home office or branch office within a primary metropolitan statis-

tical area, metropolitan statistical area, or consolidated metropolitan statistical area that is not comprised of designated primary metropolitan statistical areas if such institutions have originated or purchased or received completed applications for at least 5 mortgage loans in such area in the preceding calendar year.

(b) Any item of information relating to mortgage loans required to be maintained under subsection (a) shall be further itemized in order to disclose for each such item—

(1) the number and dollar amount of mortgage loans which are insured under title II of the National Housing Act or under title V of the Housing Act of 1949 or which are guaranteed under chapter 37 of title 38, United States Code;

(2) the number and dollar amount of mortgage loans made to mortgagors who did not, at the time of execution of the mortgage, intend to reside in the property securing the mortgage loan;

(3) the number and dollar amount of home improvement loans;

(4) the number and dollar amount of mortgage loans and completed applications involving mortgagors or mortgage applicants grouped according to census tract, income level, racial characteristics, age, and gender;

(5) the number and dollar amount of mortgage loans grouped according to measurements of—

(A) the total points and fees payable at origination in connection with the mortgage as determined by the Bureau, taking into account 15 U.S.C. 1602(aa)(4);

(B) the difference between the annual percentage rate associated with the loan and a benchmark rate or rates for all loans;

(C) the term in months of any prepayment penalty or other fee or charge payable on repayment of some portion of principal or the entire principal in advance of scheduled payments; and

(D) such other information as the Bureau may require; and

(6) the number and dollar amount of mortgage loans and completed applications grouped according to measurements of—

(A) the value of the real property pledged or proposed to be pledged as collateral;

(B) the actual or proposed term in months of any introductory period after which the rate of interest may change;

(C) the presence of contractual terms or proposed contractual terms that would allow the mortgagor or applicant to make payments other than fully amortizing payments during any portion of the loan term;

(D) the actual or proposed term in months of the mortgage loan;

(E) the channel through which application was made, including retail, broker, and other relevant categories;

(F) as the Bureau may determine to be appropriate, a unique identifier that identifies the loan originator as set forth in section 1503 of the S.A.F.E. Mortgage Licensing Act of 2008;

(G) as the Bureau may determine to be appropriate, a universal loan identifier;

(H) as the Bureau may determine to be appropriate, the parcel number that corresponds to the real property pledged or proposed to be pledged as collateral;

(I) the credit score of mortgage applicants and mortgagors, in such form as the Bureau may prescribe; and

(J) such other information as the Bureau may require.

(c) Any information required to be compiled and made available under this section, other than loan application register information under subsection (j), shall be maintained and made available for a period of five years after the close of the first year during which such information is required to be maintained and made available.

(d) Notwithstanding the provisions of subsection (a)(1), data required to be disclosed under this section for 1980 and thereafter shall be disclosed for each calendar year. Any depository institution which is required to make disclosures under this section but which has been making disclosures on some basis other than a calendar year basis shall make available a separate disclosure statement containing data for any period prior to calendar year 1980 which is not covered by the last full year report prior to the 1980 calendar year report.

(e) Subject to subsection (h), the Bureau shall prescribe a standard format for the disclosures required under this section.

(f) The Federal Financial Institutions Examination Council, in consultation with the Secretary, shall implement a system to facilitate access to data required to be disclosed under this section. Such system shall include arrangements for a central depository of data in each primary metropolitan statistical area, metropolitan statistical area, or consolidated metropolitan statistical area that is not comprised of designated primary metropolitan statistical areas. Disclosure statements shall be made available to the public for inspection and copying at such central depository of data for all depository institutions which are required to disclose information under this section (or which are exempted pursuant to section 306(b)) and which have a home office or branch office within such primary metropolitan statistical area, metropolitan statistical area, or consolidated metropolitan statistical area that is not comprised of designated primary metropolitan statistical areas.

(g) The requirements of subsections (a) and (b) shall not apply with respect to mortgage loans that are—

(1) made (or for which completed applications are received) by any mortgage banking subsidiary of a bank holding company or savings and loan holding company or by any savings and loan service corporation that originates or purchases mortgage loans; and

(2) approved (or for which completed applications are received) by the Secretary for insurance under title I or II of the National Housing Act.

(h) SUBMISSION TO AGENCIES.—

(1) IN GENERAL.—The data required to be disclosed under subsection (b) shall be submitted to the Bureau or to the appropriate agency for the institution reporting under this title, in accordance with rules prescribed by the Bureau. Notwithstanding the requirement of subsection (a)(2)(A) for disclosure

by census tract, the Bureau, in consultation with other appropriate agencies described in paragraph (2) and, after notice and comment, shall develop regulations that—

- (A) prescribe the format for such disclosures, the method for submission of the data to the appropriate agency, and the procedures for disclosing the information to the public;
- (B) require the collection of data required to be disclosed under subsection (b) with respect to loans sold by each institution reporting under this title;
- (C) require disclosure of the class of the purchaser of such loans;
- (D) permit any reporting institution to submit in writing to the Bureau or to the appropriate agency such additional data or explanations as it deems relevant to the decision to originate or purchase mortgage loans; and
- (E) modify or require modification of itemized information, for the purpose of protecting the privacy interests of the mortgage applicants or mortgagors, that is or will be available to the public.

(2) OTHER APPROPRIATE AGENCIES.—The appropriate agencies described in this paragraph are—

- (A) the appropriate Federal banking agencies, as defined in section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q)), with respect to the entities that are subject to the jurisdiction of each such agency, respectively;
- (B) the Federal Deposit Insurance Corporation for banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System), mutual savings banks, insured State branches of foreign banks, and any other depository institution described in section 303(2)(A) which is not otherwise referred to in this paragraph;
- (C) the National Credit Union Administration Board with respect to credit unions; and
- (D) the Secretary of Housing and Urban Development with respect to other lending institutions not regulated by the agencies referred to in subparagraph (A) or (B).

(3) RULES FOR MODIFICATIONS UNDER PARAGRAPH (1).—

- (A) APPLICATION.—A modification under paragraph (1)(E) shall apply to information concerning—
 - (i) credit score data described in subsection (b)(6)(I), in a manner that is consistent with the purpose described in paragraph (1)(E); and
 - (ii) age or any other category of data described in paragraph (5) or (6) of subsection (b), as the Bureau determines to be necessary to satisfy the purpose described in paragraph (1)(E), and in a manner consistent with that purpose.

(B) STANDARDS.—The Bureau shall prescribe standards for any modification under paragraph (1)(E) to effectuate the purposes of this title, in light of the privacy interests of mortgage applicants or mortgagors. Where necessary to protect the privacy interests of mortgage applicants or mortgagors, the Bureau shall provide for the disclosure of information described in subparagraph (A) in aggregate or

other reasonably modified form, in order to effectuate the purposes of this title.

(i) *EXEMPTIONS.*—

(1) *CLOSED-END MORTGAGE LOANS.*—*With respect to a depository institution, the requirements of paragraphs (5) and (6) of subsection (b) shall not apply with respect to closed-end mortgage loans if the depository institution originated less than 500 closed-end mortgage loans in each of the 2 preceding calendar years.*

(2) *OPEN-END LINES OF CREDIT.*—*With respect to a depository institution, the requirements of paragraphs (5) and (6) of subsection (b) shall not apply with respect to open-end lines of credit if the depository institution originated less than 500 open-end lines of credit in each of the 2 preceding calendar years.*

[(i)] (3) *EXEMPTION FROM CERTAIN DISCLOSURE REQUIREMENTS.*—The requirements of subsections (b)(4), (b)(5), and (b)(6) shall not apply with respect to any depository institution described in [section 303(2)(A)] *section 303(3)(A)* which has total assets, as of the most recent full fiscal year of such institution, of \$30,000,000 or less.

(j) *LOAN APPLICATION REGISTER INFORMATION.*—

(1) *IN GENERAL.*—In addition to the information required to be disclosed under subsections (a) and (b), any depository institution which is required to make disclosures under this section shall make available to the public, upon request, loan application register information (as defined by the Bureau by regulation) in the form required under regulations prescribed by the Board.

(2) *FORMAT OF DISCLOSURE.*—

(A) *UNEDITED FORMAT.*—Subject to subparagraph (B), the loan application register information described in paragraph (1) may be disclosed by a depository institution without editing or compilation and in such formats as the Bureau may require.

(B) *PROTECTION OF APPLICANT'S PRIVACY INTEREST.*—The Bureau shall require, by regulation, such deletions as the Bureau may determine to be appropriate to protect—

(i) any privacy interest of any applicant, including the deletion of the applicant's name and identification number, the date of the application, and the date of any determination by the institution with respect to such application; and

(ii) a depository institution from liability under any Federal or State privacy law.

(C) *CENSUS TRACT FORMAT ENCOURAGED.*—It is the sense of the Congress that a depository institution should provide loan register information under this section in a format based on the census tract in which the property is located.

(3) *CHANGE OF FORM NOT REQUIRED.*—A depository institution meets the disclosure requirement of paragraph (1) if the institution provides the information required under such paragraph in such formats as the Bureau may require

(4) *REASONABLE CHARGE FOR INFORMATION.*—Any depository institution which provides information under this subsection

may impose a reasonable fee for any cost incurred in reproducing such information.

(5) TIME OF DISCLOSURE.—The disclosure of the loan application register information described in paragraph (1) for any year pursuant to a request under paragraph (1) shall be made—

(A) in the case of a request made on or before March 1 of the succeeding year, before April 1 of the succeeding year; and

(B) in the case of a request made after March 1 of the succeeding year, before the end of the 30-day period beginning on the date the request is made.

(6) RETENTION OF INFORMATION.—Notwithstanding subsection (c), the loan application register information described in paragraph (1) for any year shall be maintained and made available, upon request, for 3 years after the close of the 1st year during which such information is required to be maintained and made available.

(7) MINIMIZING COMPLIANCE COSTS.—In prescribing regulations under this subsection, the Bureau shall make every effort to minimize the costs incurred by a depository institution in complying with this subsection and such regulations.

(k) DISCLOSURE OF STATEMENTS BY DEPOSITORY INSTITUTIONS.—

(1) IN GENERAL.—In accordance with procedures established by the Bureau pursuant to this section, any depository institution required to make disclosures under this section—

(A) shall make a disclosure statement available, upon request, to the public no later than 3 business days after the institution receives the statement from the Federal Financial Institutions Examination Council; and

(B) may make such statement available on a floppy disc which may be used with a personal computer or in any other media which is not prohibited under regulations prescribed by the Board.

(2) NOTICE THAT DATA IS SUBJECT TO CORRECTION AFTER FINAL REVIEW.—Any disclosure statement provided pursuant to paragraph (1) shall be accompanied by a clear and conspicuous notice that the statement is subject to final review and revision, if necessary.

(3) REASONABLE CHARGE FOR INFORMATION.—Any depository institution which provides a disclosure statement pursuant to paragraph (1) may impose a reasonable fee for any cost incurred in providing or reproducing such statement.

(l) PROMPT DISCLOSURES.—

(1) IN GENERAL.—Any disclosure of information pursuant to this section or section 310 shall be made as promptly as possible.

(2) MAXIMUM DISCLOSURE PERIOD.—

(A) 6- AND 9-MONTH MAXIMUM PERIODS.—Except as provided in subsections (j)(5) and (k)(1) and regulations prescribed by the Bureau and subject to subparagraph (B), any information required to be disclosed for any year beginning after December 31, 1992, under—

(i) this section shall be made available to the public before September 1 of the succeeding year; and

(ii) section 310 shall be made available to the public before December 1 of the succeeding year.

(B) SHORTER PERIODS ENCOURAGED AFTER 1994.—With respect to disclosures of information under this section or section 310 for any year beginning after December 31, 1993, every effort shall be made—

(i) to make information disclosed under this section available to the public before July 1 of the succeeding year; and

(ii) to make information required to be disclosed under section 310 available to the public before September 1 of the succeeding year.

(3) IMPROVED PROCEDURE.—The Federal Financial Institutions Examination Council shall make such changes in the system established pursuant to subsection (f) as may be necessary to carry out the requirements of this subsection.

(m) OPPORTUNITY TO REDUCE COMPLIANCE BURDEN.—

(1) IN GENERAL.—

(A) SATISFACTION OF PUBLIC AVAILABILITY REQUIREMENTS.—A depository institution shall be deemed to have satisfied the public availability requirements of subsection (a) if the institution compiles the information required under that subsection at the home office of the institution and provides notice at the branch locations specified in subsection (a) that such information is available from the home office of the institution upon written request.

(B) PROVISION OF INFORMATION UPON REQUEST.—Not later than 15 days after the receipt of a written request for any information required to be compiled under subsection (a), the home office of the depository institution receiving the request shall provide the information pertinent to the location of the branch in question to the person requesting the information.

(2) FORM OF INFORMATION.—In complying with paragraph (1), a depository institution shall provide the person requesting the information with a copy of the information requested in such formats as the Bureau may require.

(n) TIMING OF CERTAIN DISCLOSURES.—The data required to be disclosed under subsection (b) shall be submitted to the Bureau or to the appropriate agency for any institution reporting under this title, in accordance with regulations prescribed by the Bureau. Institutions shall not be required to report new data under paragraph (5) or (6) of subsection (b) before the first January 1 that occurs after the end of the 9-month period beginning on the date on which regulations are issued by the Bureau in final form with respect to such disclosures.

* * * * *

MINORITY VIEWS

H.R. 2954, as amended, would harm efforts to identify and stop discriminatory lending and violations of fair housing laws, as well as the ability to understand lending patterns and trends. The bill exempts covered institutions from certain records and disclosure requirements related to mortgage lending under the Home Mortgage Disclosure Act (HMDA). Specifically, the bill would exempt from certain HMDA requirements, institutions that originate 500 or fewer closed-end loans, in each of the two preceding calendar years as well as institutions that originate 500 or fewer open-ended loans, in each of the two preceding calendar years. In addition, the bill would lessen requirements for depository institutions to itemize and disclose specified mortgage loan data.

Congress originally enacted HMDA in 1975, after finding that some depository institutions contributed to the decline of certain geographic areas by their failure to meet the housing and credit needs of the neighborhoods and communities that they were responsible for serving. HMDA provides important information to enable public officials to monitor mortgage lending patterns and trends, to identify underserved communities and populations, and to combat discriminatory lending by mortgage creditors. We believe that H.R. 2954 undermines this statutory purpose.

The Consumer Financial Protection Bureau (Consumer Bureau), which is the entity responsible for implementing HMDA since the enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), has been mindful to achieve the right balance between the need for more robust mortgage data and the burdens imposed on industry in collecting and reporting the information. The Consumer Bureau issued a final rule in October 2015 but, in response to concerns raised by community banks and credit unions, adjusted the reporting thresholds for open-end mortgage loans in an updated rule, which was issued in August 2017. H.R. 2954 would prevent the Consumer Bureau from having the discretion to adjust the reporting thresholds and data fields going forward. Furthermore, while H.R. 2954 would codify the same reporting threshold for open-ended lines of credit currently contained in the Consumer Bureau's final rule—500 open-end loan originations—the Consumer Bureau's change is only a temporary adjustment for reporting thresholds in 2018 and 2019 designed to give the Bureau additional time to determine whether a permanent adjustment is warranted. The Consumer Bureau is still in the best position to conduct the research necessary to determine what the appropriate thresholds should be for open-end loans, and that it would be premature to codify that level at this time.

The bill could also eliminate important mortgage data about lending patterns and trends in this country, particularly in certain low- and moderate-income communities. H.R. 2954 raises the re-

porting requirement threshold for closed-ended lines of credit from the 25 originations currently required by the Consumer Bureau's final rule to 500 loans. This would exempt a vast majority of the nation's mortgage lenders from HMDA reporting requirements on closed-end mortgages. The benefits of HMDA data, and other tools to help the enforcement of federal fair lending laws, are too great to permanently exempt classes of institutions or volumes of loans reporting mortgage lending data.

For these reasons, we oppose H.R. 2954.

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