
INFORMATIONAL MEMORANDUM



April 13, 2005

To: Chief Executive Officer
All Farm Credit System Institutions

From: Thomas G. McKenzie, Director and Chief Examiner
Office of Examination

Subject: Regulation C, Home Mortgage Disclosure Act – Reporting Requirements

The purpose of this Informational Memorandum is to provide Farm Credit System (FCS) institutions additional clarification of the Home Mortgage Disclosure Act (HMDA) reporting requirements, as well as identify the criteria examiners will use for examining this area.¹ Financial institutions, including FCS institutions, are required to collect and report data regarding applications for, and originations and purchases of, "home purchase loans" and "refinancings" for each calendar year. A home purchase loan is defined as "a loan secured by and made for the purpose of purchasing a dwelling." The commentary explains that a farm loan – that is, a loan to purchase property primarily for agricultural purposes – is not a home purchase loan even if the property includes a dwelling. Farm loans, therefore, are not reportable, even if there is a dwelling on the property.

When required, the HMDA data must be reported by March 1 each year. Reporting may be done either by regular mail or via the Internet. For regular mail, HMDA data should be sent to:

Federal Reserve Board
Attention: HMDA Processing, HUD
20th and Constitution Avenue, NW
MS N502
Washington DC 20551-0001

HMDA respondents also have the option of sending the data by e-mail using "HMDA Data Entry Software." Go to <http://www.ffiec.gov/hmda/softinfo.htm> to download the software and obtain specific directions for use. The site also contains a thorough discussion of "Frequently Asked Questions" to assist you in your compliance and submission. The software creates an encrypted file named "HMDAENCR.ENC" located on the hard drive at the following path: C:HMDADES\int\hmdaencr.enc. After completing the accompanying directions, attach this file to your e-mail submission addressed to HMDASUB@frb.gov.

¹ In Informational Memorandums dated July 14, 2004, and October 2, 2003, the FCA informed FCS institutions of changes made by the Board of Governors of the Federal Reserve System to Regulation C, (1) the implementing regulation for the HMDA as amended, and (2) to the commentary interpreting the regulation. FCA provided a copy of the final rule, which can be found at 67 FR 7222 (February 15, 2002).

Should your institution be required to report HMDA data, FCA examiners will, as appropriate, verify that:

- Procedures are in place for collecting and maintaining accurate data regarding each loan application.
- Specific individuals are assigned responsibility for collecting and reporting the data and are given sufficient resources and tools to produce complete and accurate data.
- HMDA data is submitted on time (March 1) and the institution responds promptly to any questions that may arise during processing of the data submitted.

If you have any questions about this memorandum, please call Tom Glenn, Office of Examination, at (703) 883-4412, or write to him on the Internet at e-mail address glennt@fca.gov.