



CFPB Announces Launch of Home Mortgage Disclosure Act Rulemaking Process

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On February 7th, the Consumer Financial Protection Bureau (CFPB) [*announced*](#) plans to begin the rulemaking process to significantly expand the scope of Home Mortgage Disclosure Act (HMDA) data reporting. The Dodd-Frank Act required the CFPB to expand the collection of mortgage loan origination data to capture information about total points and fees, the term of the loan, length of introductory or teaser rates, rate spread, borrower age and credit score, and certain other information. In addition to the statutory requirements, the CFPB is also considering changes that it believes will provide regulators with a greater ability to monitor the mortgage market.

In addition to the additional elements mentioned above, potential changes include:

- underwriting and pricing information, such as interest rate, total origination charges, and total discount points of the loan;
- the borrower's debt-to-income ratio;
- whether the lender considered the loan to be a "Qualified Mortgage;" and
- explanations of rejected loan applications.

To address concerns over the increased reporting burden, the CFPB is considering ways to streamline the data collection and reporting process, and standardizing the current differences in reporting threshold requirements for bank and non-bank lenders.

Coupled with the CFPB's emphasis in late 2013 on HMDA [data accuracy](#) and [enforcement actions](#), this upcoming rulemaking signals to mortgage lenders that HMDA will be an area of increased regulatory focus. Because regulators often use HMDA data to target institutions for fair lending scrutiny, the expansion of the reporting requirements to include borrower qualification data may increase the risk of fair lending claims.

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