

National Credit Union Administration  
**SUPPORTING STATEMENT**

Recordkeeping, Reporting, and Disclosure Requirements  
Associated with the Home Mortgage Disclosure Act (HMDA), 12 U.S.C. 2801 et seq.,  
As implemented by Regulation C, 12 CFR 1003

OMB No. 3133-0166

**INTRODUCTION**

NCUA requests OMB approval to extend for three years the currently approved collection captioned above. The clearance being requested is for the information collection imposed by the Consumer Financial Protection Bureau's (CFPB) Regulation C, which implements HMDA, and applicable to federally insured credit unions supervised by NCUA pursuant to the asset-size threshold established by Regulation C.

**A. JUSTIFICATION**

**1. Circumstances that make the collection of information necessary.**

HMDA was enacted in 1975 and requires most mortgage lenders lending in metropolitan areas to collect data about their housing-related lending activity. Historically, HMDA has been implemented by the Board of Governors of the Federal Reserve System's (FRB) Regulation C, 12 CFR Part 203. Congress has periodically modified the law, and FRB has routinely updated Regulation C. The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 transferred FRB's rulemaking authority for HMDA to CFPB.

Regulation C, 12 CFR Part 1003, requires financial institutions that meet certain thresholds to report data annually about:

- Each application or loan, including the application date; the action taken and the date of that action; the loan amount; the loan type (for example, government guaranteed or not) and purpose (for example, home purchase); and, if the loan is sold, the type of purchaser;
- Each applicant or borrower, including ethnicity, race, sex, and income; and
- Each property, including location and occupancy status.

A covered lender generally must update information quarterly – all reportable transaction must be recorded within 30 calendar days after the end of the calendar quarter in which final action is taken on a loan application register (LAR) – and must submit the completed LAR annually to the appropriate Federal agency by March 1 of the year following the year covered by the LAR. Institutions that submit incorrect information may be required to correct and resubmit the information. The Federal Financial Institutions Examination Council (FFIEC) then prepares a disclosure statement from data submitted by the financial institutions, and provides the disclosure statement to the financial institution. Within three business days of receiving its statement, the financial

institution must make a copy available at its home office. In addition, within ten business days of receiving its disclosure statement, the financial institution must either: (1) make the disclosure statement available in at least one branch office in every Metropolitan Statistical Area (MSA) and Metropolitan Division (Division) where it has an office or (2) post a notice in at least one branch office per MSA and Division where it has an office stating that the disclosure statement is available upon written request. A covered lender must make each public disclosure statement available to the public for five years.

Each financial institution must retain its completed LAR for three years and during that period it must make its LAR available to the public after redacting certain information to protect the privacy of its applicants and borrowers.

**2. Purpose and use of the information collected.**

HMDA was enacted to provide the public with loan data that can be used to: (1) help determine whether financial institutions are serving the housing needs of their communities; (2) assist public officials in distributing public-sector investments so as to attract private investment to areas where it is needed; and (3) assist in identifying possible discriminatory lending patterns and enforcing anti-discrimination statutes.

The information collection will assist NCUA's examiners, and examiners of other federal supervisory agencies, in determining that the financial institutions they supervise comply with the applicable provisions of HMDA.

**3. Use of information technology.**

FFIEC provides credit unions with an online HMDA Platform to upload their HMDA LARs, review edits, certify the accuracy and completeness of the data, and submit data for the filing year.

**4. Duplication of information.**

The information collected is not duplicated elsewhere.

**5. Efforts to reduce burden on small entities.**

The collection imposes on credit unions, regardless of size, only the minimum burden necessary for compliance with HMDA.

**6. Consequences of not conducting the collection.**

HMDA requires the annual collection of the information. In the absence of this collection, the government would not have the information necessary to determine compliance with HMDA or to prepare the reports required to be provided to the public under HMDA.

**7. Inconsistencies with guidelines in 5 CFR 1320.5(d)(2).**

There are no special circumstances. This collection is consistent with the guidelines in 5 CFR 1320.5(d)(2).

**8. Efforts to consult with persons outside the agency.**

A 60-day notice was published in the Federal Register on June 7, 2023, at 88 FR 37290, and no public comments were received. A 30-day notice was published on August 9, 2023, at 88 FR 53931.

**9. Payment or gifts to respondents.**

There is no intent by NCUA to provide payments or gifts for information collected.

**10. Assurance of confidentiality.**

There is no assurance of confidentiality other than that provided by law. The records kept under this information collection are maintained by credit unions and reported annually. Regulation C requires this information to be made available to the public except for the fields that are redacted to protect the identities of the individual applicants.

**11. Questions of a sensitive nature.**

The information collected contains material that might be considered sensitive in nature, including loan number, Census tract, race and ethnicity, sex, and annual income. When the information is disclosed to the public, it is redacted to omit the application date; action taken date; property address; credit score; Nationwide Mortgage Licensing System and Registry identifier for the mortgage loan originator; automated underwriting system result; and free-form text fields used to report data regarding race and ethnicity, reasons for denial, the name of the credit scoring model used, and the name of the automated underwriting system used. The purpose of collecting this information is to assist in identifying possible discriminatory lending patterns and enforcing anti-discrimination statutes.

**12. Burden of information collection.**

Averaging the number of federally insured credit union respondents filing HMDA LARs and the total number of reportable HMDA loans for calendar years 2021 and 2022, NCUA estimates the following burden hours and cost. The estimated burden arises exclusively from the regulation and is shown in the table below.

| Estimated # of Respondents | Estimated # of Responses per Respondent | Estimated # of Loan Applications | Estimated Avg. Hours per Response | Estimated Annual Burden |
|----------------------------|---|----------------------------------|-----------------------------------|-------------------------|
|----------------------------|---|----------------------------------|-----------------------------------|-------------------------|

|       |           |           |           |         |
|-------|-----------|-----------|-----------|---------|
| 1,381 | 1,267.657 | 1,750,635 | 5 minutes | 145,886 |
|-------|-----------|-----------|-----------|---------|

Based on the labor rate of \$42.80 per hour, the total cost to respondents is \$6,243,920.80.

**13. Capital start-up or on-going operation and maintenance costs.**

Other than the costs to respondents that are associated with the usual and customary business practice, there are no capital start-up costs or ongoing operation and maintenance costs associated with this information collection.

**14. Annualized costs to the Federal government.**

The total annual cost, which includes, among other things, processing the information generated by the collection, producing a disclosure statement for each financial institution, and producing aggregate data for each MSA, is allocated among the FFIEC member agencies and the Department of Housing and Urban Development. The cost allocated to NCUA is approximately \$562,000.

**15. Changes in burden.**

The number of federally insured credit unions filing HMDA LARs and the total number of reportable HMDA loans have been adjusted to reflect the numbers obtained for calendar years 2021 and 2022. The increase of 37,711 burden hours is due to an adjustment. Total of 145,886 burden hours requested.

**16. Information collection planned for statistical purposes.**

The information collected is for use by NCUA’s examination program and for disclosure to the public upon request after deletion of certain sensitive data elements. The information is not published by NCUA.

**17. Request non-display the expiration date of the OMB control number.**

The OMB control number and expiration date associated with this PRA submission will be displayed on the Federal government’s electronic PRA docket website at [www.reginfo.gov](http://www.reginfo.gov), as well as in the Federal Register notice of the submission.

**18. Exceptions to the Certification for Paperwork Reduction Act Submission.**

This collection complies with the requirements in 5 CFR 1320.9.

**B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS**

This collection does not involve statistical methods.