

RESCINDED

Outdated – See OCC 2020-11

AL 97-1

Subject: Home Mortgage Disclosure Act Reporting of Data

TO: Chief Executive Officers of all National Banks, Department
and Division Heads, and all Examining Personnel

This advisory is being sent to remind national banks that civil money penalties (CMP) may be assessed for violations of the data collection and reporting requirements of the Home Mortgage Disclosure Act (HMDA).

It is the policy of the Office of the Comptroller of the Currency to consider assessing a CMP against a national bank whenever a bank submits a delinquent or inaccurate Home Mortgage Disclosure Act Loan Application Register. In determining the appropriateness of the penalty, the Comptroller will consider the statutory factors, as provided under 12 USC 1818(I)(2)(g). Specifically, these factors are size of financial resources, good faith, gravity of the violation, history of previous violations, and other matters as justice may require.

HMDA data continues to be used by bank regulators, the public, the media, and others as an indicator of how well reporting institutions are meeting the mortgage finance needs of low- to moderate-income and minority consumers. Aggregate HMDA data from 1993-1995 show that conventional mortgage loans to Black Americans increased 70 percent and those to Hispanics increased 48 percent. These are laudable increases for the mortgage industry at large. However, the OCC continues to discover HMDA data submitted by reporters that contain significant errors, data that were not reported, and data submitted too late to be aggregated and disclosed to the public in a timely manner.

To ensure the accuracy and timely reporting of HMDA data, a bank's board and senior management need to ensure the effectiveness of internal controls used to collect and report the data. There is no absolute safeguard against all errors, but establishing adequate controls to identify errors coupled with a periodic review and assessment of those controls is fundamental to minimizing the potential for submission of erroneous or late data.

Questions concerning this advisory may be directed to the Compliance Management Department at (202) 874-4446.

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for Compliance Management
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