

RESCINDED

Transmittal – See OCC 2020-11

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Home Mortgage Disclosure Act: Rate Spread Reporting Threshold under Regulation C

On October 20, 2008, the Board of Governors of the Federal Reserve System (Board) approved final amendments to Regulation C (Home Mortgage Disclosure Act) to revise the rules for reporting price information on higher priced mortgage loans. The rules are being conformed to the definition of "higher-priced mortgage loan" adopted by the Board under Regulation Z (Truth in Lending) in July of 2008. Under the final rule, a lender will report the spread between the loan's annual percentage rate (APR) and a survey-based estimate of APRs currently offered on prime mortgage loans of a comparable type if the spread is equal to or greater than 1.5 percentage points for a first-lien loan or 3.5 percentage points for a subordinate-lien loan.

The survey that the Board will rely on for the foreseeable future is the Primary Mortgage Market Survey (PMMS) conducted by Freddie Mac. The Board will conduct its own survey if it becomes appropriate or necessary to do so. Information on the average prime offer rate will be published on the FFIEC's Website (www.ffiec.gov/hmda).

According to the Board, the final rule will provide pricing data on higher priced mortgage loans reported under Regulation C that are more consistent with prevailing mortgage market pricing over time, which will make data reporting more predictable. The rule will also facilitate regulatory compliance by conforming the test for rate spread reporting under Regulation C to the definition of higher priced mortgage loans under Regulation Z.

The final rule becomes effective October 1, 2009. Compliance is mandatory for loan applications taken on or after that date and for loans that close on and after January 1, 2010 (regardless of their application dates).

For questions on this amendment or any other HMDA-related issue, contact the HMDA help line at (202) 452-2016 or send an email message to hmdahelp@frb.gov. For further assistance, contact your supervisory office or the Compliance Policy Department at (202) 649-5470.

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Related Links

- [Final Rule 73 FR 63329](#)

To

Chief Executive Officers and
Compliance Officers of All
National Banks, Department and
Division Heads, and All
Examining Personnel