[YOUR LETTER HEAD]

Comment letter on Docket No. CFPB-2019-0021 or RIN 3170-AA76

Notice of Proposed Rulemaking on HMDA data

To Whom It May Concern:

ORGANIZATION opposes the proposal of the Consumer Financial Protection Bureau (CFPB) to exempt thousands of lending institutions nationwide from reporting the Home Mortgage Disclosure Act (HMDA) data. [ORGANIZATION DESCRIPTION].  [Say if you’re a member of ANHD and/or NCRC, and that you support the detailed comments NCRC submitted]

Congress passed HMDA in 1975 in order to understand where banks are and aren’t making loans and to whom. This is an essential tool to uncovering discriminatory lending patterns and unmet housing needs. Lenders big and small have been collecting and reporting data for decades.

Currently, the threshold for reporting data is 25 closed-end loans. In other words, if a lending institution makes 25 or fewer mortgage loans, it is not required to report HMDA data. In 2015, the CFPB decided against a higher threshold exempting more lenders stating that, “The Bureau concluded that, if it were to set the closed-end coverage threshold higher than 25, the resulting loss of data at the local level would substantially impede the public’s and public officials’ ability to understand access to credit in their communities.” Congress has already exempted lenders making less than 500 loans from reporting the more complex HMDA data requirement under Dodd Frank. They are required to report the data they have collected and submitted for decades!

Inexplicably, however, the CFPB is now reversing itself and is proposing to raise the threshold to 50 or 100 loans. The CFPB is inviting comments on even higher thresholds of 250 or 500 loans, which would exempt 67% and 81% of lenders, respectively, from reporting HMDA data.

In New York City, using 2018 HMDA data, we stand to lose critical data on lenders that impact thousands of families with their lending.

* **Under a 50-loan threshold**, we would lose 4% of all lenders and 8% of multifamily lenders, including 10% of multifamily lenders with buildings over 50 units.
* **Under a 100-loan threshold**, we would lose nearly 9% of all lenders and 14% of multifamily lenders, including 17% of multifamily lenders with buildings over 50 units.
* **Under a 250-loan threshold**, we would lose 15% of all lenders and 24% of multifamily lenders, including over a quarter (26%) of multifamily lenders with buildings over 50 units.

These lenders that impact thousands of families would now be exempt from any public scrutiny. We oppose the CFPB proposal to raise the threshold.

The CFPB is also proposing to increase the threshold for reporting open-end lines of credit often called Home Equity Lines of Credit (HELOCs). Under the CFPB’s proposal to increase the threshold to 200 open-end lines of credit, far too many lenders and loans will escape the scrutiny of public review.

Lenders, including small volume lenders, have been reporting data for decades. Relief from reporting is thus only a minor gain for the lenders while it is a large loss for communities. If the CFPB makes thousands of lenders exempt from HMDA reporting, abusive lending will increase in traditionally underserved neighborhoods while some HMDA-exempt banks will retreat from these neighborhoods because they will no longer face public accountability for serving communities equitably.

Thank you for the opportunity to comment on this important matter.

Sincerely,

[ YOUR NAME / ORG ]