

Federal Reserve Bank of San Francisco
101 Market Street, San Francisco, California 94105

May 7, 2007

**BANKING SUPERVISION AND REGULATION:
2006 HMDA DATA**

To State Member Banks, Bank
Holding Companies, U.S. Branches
and Agencies of Foreign Banks,
and Others Concerned,
in the Twelfth Federal Reserve District

Availability of 2006 Home Mortgage Disclosure Act (HMDA) Data

The federal bank, credit union, and thrift supervisory agencies, along with the Department of Housing and Urban Development, announced the availability of the 2006 home loan data disclosed under the Home Mortgage Disclosure Act (HMDA). Lenders are required to make these data available to the public, within thirty days after receiving a request, in the form of a Loan Application Register, after removing certain information to protect the privacy of applicants and borrowers.

HMDA, which was enacted by Congress in 1975, requires most mortgage lenders located in metropolitan areas to collect data about their housing-related lending activity, report the data annually to the government, and make the data publicly available in a modified Loan Application Register. Initially, HMDA required reporting of the geographic location of originated and purchased loans. In 1989, Congress expanded HMDA data to include information about denied home loan applications and the race, sex and income of applicants and borrowers. In response to concerns about this area of mortgage lending and other new data in 2002, the Federal Reserve Board amended the HMDA regulation to require lenders to report loan pricing (rate spread) data for certain higher-priced home mortgage loans.

The HMDA loan data may be used to facilitate fair lending supervision and enforcement. HMDA data are analyzed in conjunction with other factors to assess an institution's level of risk for lending discrimination. However, it is not possible to conclude from HMDA data alone whether a lender is complying with fair lending laws. The HMDA data do not include many potential determinants of credit decisions and loan pricing, such as the borrower's credit history, the debt-to-income ratio, and the loan-to-value ratio.

More information about the HMDA data is available in the FAQs on the web site of the Federal Financial Institutions Examination Council (FFIEC), at www.ffiec.gov/hmda/faq.htm. Summary statistical reports for each lender and an aggregate report for each Metropolitan Statistical Area will be released in September by the FFIEC.

Additional Information

All circulars and documents are available on the internet through the Federal Reserve Bank of San Francisco's website, at <http://www.frbsf.org/banking/letters>.

For additional information, please contact our Banking Supervision and Regulation Department at (415) 974-3028.

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