

**COMMENTS**  
**to the**  
**Department of Housing and Urban Development**  
**[Docket No. FR-5603-N-77]**  
**77 Fed. Reg. 65,396**  
**OMB Approval Number 2502-0539**  
**Notice of Submission of Proposed**  
**Information Collection to OMB: Home**  
**Mortgage Disclosure Act (HMDA) Loan/**  
**Application Register**

**by the**  
**National Consumer Law Center**  
**on behalf of its low income clients**

**and the**  
**National Association of Consumer Advocates**

November 26, 2012

The **National Consumer Law Center**<sup>1</sup> ("NCLC") submits the following comments, on behalf of its low-income clients, along with the **National Association of Consumer Advocates**.<sup>2</sup>

We write to support the collection of the Loan Application Register data under the Home Mortgage Disclosure Act (HMDA). This data is critical to any understanding

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<sup>1</sup> The **National Consumer Law Center**® (NCLC®) is a non-profit Massachusetts corporation specializing in low-income consumer issues, with an emphasis on consumer credit. Since 1969, NCLC has used its expertise in consumer law and energy policy to work for consumer justice and economic security for low-income and other disadvantaged people, including older adults, in the United States. NCLC's expertise includes policy analysis and advocacy; consumer law and energy publications; litigation; expert witness services, and training and advice for advocates. NCLC works with nonprofit and legal services organizations, private attorneys, policymakers, and federal and state government and courts across the nation to stop exploitive practices, help financially stressed families build and retain wealth, and advance economic fairness. NCLC publishes a series of consumer law treatises including Mortgage Lending, Truth in Lending and Foreclosures. These comments are written by NCLC attorney Diane E. Thompson. NCLC staff have for many years provided assistance to attorneys and housing counselors helping consumers with problem mortgages across the country. These comments are based on these efforts as well as our knowledge and expertise in Truth in Lending, the Real Estate Settlement Procedures Act, the mortgage market specifically, and consumer law in general.

<sup>2</sup> The **National Association of Consumer Advocates** (NACA) is a non-profit corporation whose members are private and public sector attorneys, legal services attorneys, law professors, and law students, whose primary focus involves the protection and representation of consumers. NACA's mission is to promote justice for all consumers.

of mortgage credit. For example, the HMDA data has been used to document the disproportionate prevalence of subprime lending in communities of color in the years leading up to the current foreclosure crisis.<sup>3</sup> Policy debates about such critical and complicated matters need data. HMDA's data collection is essential to developing appropriate policies that support sustainable credit for all. Moreover, lenders are accustomed to collecting this data, and have integrated data collection under HMDA into ordinary operations.

In the coming year, the Consumer Financial Protection Bureau will likely be revisiting the requirements of HMDA data collection, in conformity with the Dodd-Frank Act.<sup>4</sup> While HMDA has long provided (increasingly) useful information on loan originations, further work is needed to update it for the 21<sup>st</sup> Century.

Changes under the Dodd-Frank Act expanded the required information to include the borrower's age and credit score as well as the origination channel. When the CFPB revisits the HMDA requirements, it must ensure that this information is made publicly available on the individual loan level in order for researchers to be able to conduct meaningful analysis as to steering.

In addition, more information on loan characteristics and underwriting is needed, particularly information as to whether the loan is a variable rate loan or a no-doc loan. Information allowing comparison of the primary language of the borrower to the language of the loan documents could be critical in identifying some discriminatory practices.

Post-origination information is becoming increasingly important, including foreclosure and default data, as well as whether and to whom the loan is sold and who services the loan. This information must be collected at the loan level, even if published at the census tract level. A national, public, loan-level database on foreclosures and default must be established in a manner consistent with HMDA's goals, as required under Dodd-Frank.

We express again our appreciation of the significant utility of the HMDA data and the Department's commitment to its collection. Thank you for considering these comments.

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<sup>3</sup> E.g., Naomi Cytron and Laura Lanzerotti, Homeownership at High Cost: Recent Trends in the Mortgage Lending Industry, *Community Investments* 7 (December 2006).

<sup>4</sup> Pub. L. 111-203, 124 Stat. 1376 (2010).