

## **Just Getting Started with the Revised HMDA Rules?**

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<http://www.kaybeescomplianceinsights.com/just-getting-started-revised-hmda-rules/>

We are now in the last 11 and 1/4 months before the revised HMDA rules go into effect on January 1, 2018.

If you are just beginning to look at the new rules, you have a big task ahead of you. There are several tasks that need to be done before diving into the requirements for reporting individual fields:

- If the financial institution is a smaller reporter, determine if it is a mandatory reporter for 2017, and again for 2018. There are new loan volume thresholds that can exempt some smaller reporters (depository institutions only in 2017 and all lenders in 2018). [You can review a lesson on the new volume thresholds here.](#)
- Review the [Small Entity Compliance Guide](#), no matter the size of your financial institution. It provides a good overview of the changes but is not a substitute for learning the regulation and the Commentary.
- Work with the lending divisions and product areas at your financial institution to become familiar with the application and underwriting process and develop data on where specific data is stored (e.g., credit scores, loan to value, property value, automated underwriting system results, etc.), and how it will be transferred to the HMDA LAR. You can opt in to this blog for regulatory and training updates and receive a project plan plus some additional HMDA charts. The link is on this page on the right.
- Lastly, fully understand what properties are reportable for HMDA beginning in 2018. The rules have changed; there are new exclusions from the definition of dwelling and new rules for treatment of agricultural loans and agricultural properties with dwellings, and revised rules for mixed use properties that affect what is considered a dwelling.

Once it has been determined that the financial institution is a HMDA reporter, and there is an understanding of what properties are dwellings for HMDA, then begin to go through the revised rule and Commentary and lastly the [Filing Instruction Guide \(FIG\)](#). The FIG contains additional information, including a few instructions that are not in the regulation or Commentary at this time.

The Commentary is mandatory reading; if you only review the regulation itself, you will not understand the actual reporting requirements or definitions. The detailed requirements (what, when and how) are primarily contained in the Commentary. The Commentary is available at the [CFPB's](#) regulation site, where it is linked to the regulation, and also at BankersOnline. Make sure you read the rule for the proper reporting year.

If you want help with all of this work, consider enrolling in [The HMDA Academy](#).

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