

DATE: July 2, 2002

SUBJECT: Revisions to Regulation C (Home Mortgage Disclosure) --Final Rules; Docket No. R-1120

HIGHLIGHTS: The Federal Reserve Board has published amendments to Regulation C, which implements the Home Mortgage Disclosure Act (HMDA).

Data collected under Regulation C are used to help determine whether financial institutions are serving the housing needs of their communities and to assist in enforcing the fair lending laws.

The amendments:

Set the thresholds for determining the loans for which financial institutions must report loan pricing data, as required under a final rule approved on January 23, 2002. Institutions will report the rate spread (between the annual percentage rate on a loan and the yield on comparable Treasury securities) if the spread equals or exceeds 3 percentage points for first-lien loans, and 5 percentage points for subordinate-lien loans.

Require lenders to report the lien status of applications and originated loans.

Require lenders to ask applicants their ethnicity, race, and sex in applications taken by telephone.

Compliance with the amendments relating to the thresholds and lien status is mandatory on January 1, 2004. The amendment requiring lenders to ask telephone applicants for monitoring information is effective for applications taken beginning January 1, 2003.

DOCUMENT LOCATION: The June 21, 2002 press release/notices are available under the Board of Governors' web site:

<http://www.federalreserve.gov/boarddocs/press/bcreg/2002/>

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