

DATE: May 10, 2002

SUBJECT: Delay of effective date of amendments to Regulation C (Home Mortgage Disclosure Act); Docket No. R-1001

HIGHLIGHTS: The Federal Reserve Board has approved a final rule that postpones the effective date of the recent amendments to Regulation C (Home Mortgage Disclosure Act "HMDA") from January 1, 2003, to January 1, 2004.

On February 15, 2002, the Board published amendments to Regulation C effective for data collected beginning January 1, 2003, and solicited comment on several related issues. Financial institutions and their trade associations requested a postponement of the effective date until January 1, 2004, on the grounds that a 2003 deadline does not afford institutions adequate time to take the steps necessary to ensure full compliance with the new rules. Consumer and community organizations generally opposed postponement of the effective date.

The Board has weighed the financial institutions' claims and underlying assumptions against public policy benefits of collecting the new data as soon as possible. The Board believes that some HMDA reporters, especially the largest ones, will not be able to fully implement the new rules by January 1, 2003, without jeopardizing the quality and usefulness of the data and incurring substantial additional implementation costs that could be avoided by a postponement.

The Board is, however, adopting an interim amendment to Regulation C, effective January 1, 2003, mandating the use of 2000 census data in HMDA reporting.

DOCUMENT LOCATION: The May 2, 2002 press release-notice is available under the Board of Governors' web site, as follows:
<http://www.federalreserve.gov/boarddocs/press/bcreg/2002/>

FURTHER INFORMATION: Henry F. Dove, Jr., Supervisory Examiner, (314) 444-8846 or 1-800-333-0810, ext. 44-8846 Banking Supervision and Regulation Department