

# ATTENTION CLOSING AGENT

## The Need for the Demographic Information Addendum

Uniforms Residential Loan Applications (URLA) completed on or after January 1<sup>st</sup>, 2018 must meet the recently announced CFPB's Demographic data collection requirement. The Data Collection received will be maintained and reported in order to stay in alignment with The Home Mortgage Disclosure Act (HMDA). The Home Mortgage Disclosure Act (HMDA) was enacted by Congress in 1975 and was implemented by the Federal Reserve Board's Regulation C. On July 21, 2011, the rule-writing authority of Regulation C was transferred to the Consumer Financial Protection Bureau (CFPB). Regulation C, requires lending institutions to report public loan data.

### Each Individual Borrower to do:

To meet the requirement each borrower on the transaction must fully complete a separate Demographic Information Addendum. **Each borrower** must complete at least one item in each of the following categories:

- Ethnicity
- Race
- Sex

### The Loan Originator to do:

In addition, When the application is taken in person, **the Loan Originator** will also be required to complete each question in the section indicating their visual observations:

- Was ethnicity determined by visual observation or surname
- Was the sex determined by visual observation or surname
- Was the race determined by visual observation or surname

How the application was taken must be completed on all loans:

- Face-to Face Interview (includes Electronic Media w/ Video Component)
- Telephone Interview
- Fax or Mail
- Email or Internet

For additional details please refer to the CFPB website: <https://www.consumerfinance.gov/>