

HMDA Demographic Information Addendum Requirements

Policy Date: 12/22/2017

Uniforms Residential Loan Applications (URLA) completed on or after January 1st, 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.

It is of the utmost importance to retain the information for each borrower in order to be compliant with Agency and Federal requirements. The Demographic Information Addendum will be sent with the closing package on each transaction so it can be completed at the time of signing the closing documents. **If we do not have a properly executed Demographic addendum and 1003 it will delay funding until the information is received.**

Key information to know regarding the completion of the HMDA Demographic Addendum:

1. A cover letter will be sent along with the Addendum to provide clarification to the settlement agent with guidance on the completion of the form.
2. Each borrower on the transaction is required to complete a separate addendum.
3. The borrower(s) must complete at least **one** item in each of the following categories:
 - Ethnicity
 - Race
 - Sex
4. When the application is **taken in person**, the Broker or Correspondent must 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
5. 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
6. Section X Information for Government Monitoring Purposes on the final 1003 must be left blank, deleted, grayed out or crossed out and information completed for **each borrower** on a **separate** Demographic Information Addendum

Please Contact your Account Executive regarding any questions at: 1.888.398.8757 or ask@westernbancorp.com