October 15, 2019

Office of Regulations
Consumer Financial Protection Bureau
1700 G Street, NW
Washington, DC 20552

Re: Home Mortgage Disclosure (Regulation C); Reopening of Comment Period; Docket No. CFPB-2019-0021; RIN 3170-AA76

Dear Sir or Madam:

The Credit Union National Association (CUNA) represents America’s credit unions and their 115 million members. On behalf of our members, we are writing regarding the Consumer Financial Protection Bureau’s (CFPB or Bureau) re-opening of the comment period for its Notice of Proposed Rulemaking (NPRM) related to the transactional thresholds for reporting data pursuant to the Home Mortgage Disclosure Act’s (HMDA) Regulation C.

CUNA submitted comments to the CFPB regarding the thresholds on June 11, 2019, during the initial comment period. Since that time, the CFPB has published two HMDA Data Point articles and a static loan-level 2018 data file that consolidates data received from individual reporters. The Bureau’s data file and the two Data Point articles reflect data as of August 7, 2019—after the close of the prior NPRM comment period. These subsequent developments do not impact the recommendations of our June 11 NPRM response and we are therefore resubmitting those recommendations in response to the Bureau’s re-opened NPRM comment period (attached).

As stated previously, CUNA supports HMDA’s mission and its mortgage reporting requirements, but its objectives should be balanced by an appropriately tailored regulation. As not-for-profit, member-owned financial cooperatives, credit unions strive to provide the highest level of service to their members. The CFPB has repeatedly acknowledged that credit unions maintained sound credit practices through the economic crisis and did not engage in the practices that led to the crash of the housing market. Nevertheless, the HMDA rule has disproportionately burdened credit unions, due to their finite resources, despite no evidence of past wrongful conduct.

CUNA has consistently urged the CFPB to modify the 2015 HMDA Rule and provide meaningful reporting exemptions for credit unions. It is increasingly difficult for credit
unions to effectively participate in the mortgage lending market when they are forced to comply with rules not tailored to their size or structure.

We recognize that recent developments have led to some HMDA relief for the smallest mortgage lenders—including the current reporting thresholds and the S. 2155 partial exemption—however we urge the Bureau to make the following additional amendments to HMDA’s transactional coverage thresholds to further relieve unnecessary regulatory burden for credit unions:

- Increase the closed-end mortgage loan threshold for required HMDA reporting to 500 loans in each of the prior two years. Barring the adoption of a 500-closed end mortgage loan threshold, the CFPB should finalize the proposed 100 loan threshold at a minimum to exempt credit unions with small mortgage lending portfolios from HMDA reporting.
- Allow the reporting of open-end lines of credit to once again be voluntary. HMDA reporting for these loans was voluntary prior to the 2015 HMDA Rule, as these loans are separately treated and distinctive from dwelling-secured mortgages.

Based on CUNA’s analysis, the CFPB’s proposal to increase the closed-end mortgage loan threshold from its current level of 25 to 100 loans would provide HMDA relief to over 750 credit unions. While this is a step in the right direction, CUNA recommends the Bureau go further and establish a threshold of 500 closed-end mortgage loans, which would reduce the regulatory costs associated with HMDA compliance for over 1,500 credit unions.

With respect to open-end lines of credit, if the Bureau implements the proposed decrease in the open-end reporting threshold from 500 to 200 lines after the year 2022, as stated in its proposal, then nearly 200 credit unions could lose their current reporting exemption and be required to report data on their open-end lines of credit. We are concerned about the costs that could be incurred by affected credit unions and, instead, request the Bureau to make HMDA reporting voluntary for these products—as it was prior to the 2015 HMDA Rule. Barring a return to voluntary reporting, the CFPB should make permanent the current 500 open-end line threshold rather than reducing the threshold after a brief extension.

We urge the Bureau to implement CUNA’s recommendations as it moves forward with the proposed HMDA reporting threshold increases. On behalf of America’s credit unions and their 115 million members, thank you for your consideration.

Sincerely,

Alexander Monterrubio
Senior Director of Advocacy & Counsel

Attachment