July 18, 2016

The Honorable Mike Rounds
United States Senate
Washington, D.C. 20510

Dear Senator Rounds:

On behalf of the more than 6,000 community banks represented by ICBA, I write to thank you for introducing the Home Mortgage Disclosure Adjustment Act (S. 3215) which would exempt low volume community bank mortgage lenders from an expansive and burdensome new mortgage application data collection and reporting requirement.

In October 2015, the CFPB finalized a rule under the Home Mortgage Disclosure Act (HMDA) which will require covered banks and credit unions to collect and report 48 unique data points on each mortgage loan they make, more than double the number of data points covered lenders are currently required to collect. The proliferation of data points will amplify the number of inadvertent data entry errors and penalties, especially among institutions that upload data manually, including many community banks and small credit unions.

Under S. 3215, any depository institution that has originated 100 or fewer closed-end mortgages in each of the two preceding years would be exempt from HMDA collection and reporting on closed-end mortgages. According to CFPB data, exempting lenders with a loan volume of less than 100 closed-end mortgages would reduce the number of loan applications and loans reported through HMDA by only 2 percent. In addition, any depository institution that has originated 200 or fewer open-end lines of credit in each of the two preceding years would be exempt from HMDA collection and reporting on closed-end loans. S. 3215 would provide critical relief for low volume mortgage lenders without materially impacting the mortgage data available to the CFPB or impairing the purpose of the HMDA statute.

Thank you again for introducing S. 3215. We look forward to working with you to advance this important legislation into law.

Sincerely,

/s/

Camden R. Fine
President & CEO

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