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October 29, 2014

Monica Jackson
Office of the Executive Secretary
Consumer Finance Protection Bureau
1700 G. St. NW
Washington DC 20552

RE: Docket No. CFPB-2014-0019

Director Cordray:

Thank you for the opportunity for Consumer Action¹ to comment on the proposal to amend disclosures required by the Home Mortgage Disclosure Act (HMDA).

Consumer Action welcomes the Consumer Financial Protection Bureau (CFPB) proposal to significantly expand the data elements that financial institutions' will be required to report under HMDA. These data elements will enrich the effectiveness of HMDA data by giving a more complete picture of a financial institution's performance in meeting communities' needs in a non-discriminatory manner, and will help regulators and advocates identify and stop high-risk and abusive lending practices and products early on.

We ask that the CFPB not delay release of the new data elements even if careful analysis of the enhanced data would be useful. New data on loan purpose (such as home equity loans and lines of credit), reverse mortgages, and more detail on refinance loans would be valuable in assessing whether credit needs are being met.

Particular elements, such as credit scores and universal loan ID, which warrant further privacy considerations, could be delayed if much further analysis is needed.

We strongly support the CFPB's proposal to assign a unique loan identifier, which will facilitate the tracking of a loan when it is sold by a lender to Fannie Mae, Freddie Mac, or

¹ Consumer Action has been a champion of underrepresented consumers since 1971. A national, nonprofit 501(c)3 organization, Consumer Action focuses on financial education that empowers low to moderate income and limited-English-speaking consumers to financially prosper. It also advocates for consumers in the media and before lawmakers and regulators to advance consumer rights and promote industry-wide change particularly in the fields of credit, banking, housing, privacy, insurance and utilities.
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a private investor. Additional proposals to include a unique identifier for a mortgage loan originator and the loan channel would assist regulatory agencies and members of the public with identifying lending institutions and brokers that are engaging in problematic loan practices.

We are pleased that the CFPB is proposing to collect pricing information for all loans, point and fee information, origination charges, discount points, and interest rates. More refined pricing information is necessary for identifying possible price discrimination in the prime market.

We support the CFPB's proposal to report whether a loan is a qualified mortgage, the debt-to-income ratio, the Combined Loan-to-Value ratio (CLTV), the Loan-to-Value (LTV) ratio in addition to Dodd-Frank required data elements such as the credit score. Data on loan terms such as adjustable rates, interest-only payments, and balloon payments will provide indications on whether a high incidence of these features, especially in loans to vulnerable and underserved populations, is a cause for concern that requires intervention.

Expansion of Data Elements

The proposed expansion of loan purpose and type will be very helpful in terms of assessing whether lending institutions are meeting the credit needs of neighborhoods in a responsible fashion.

The CFPB's proposal to include all loans secured by residential property, including home equity loans and lines of credit, reverse mortgages, and small business loans (if backed by residential property) will be valuable in assessing whether the neighborhoods we serve are receiving the full range of credit they need.

We support all of the data elements required prior to the passage of Dodd-Frank, as well as but not limited to the following:

- Identifying if a loan secured by residential property was for a small business or commercial purpose. Low wealth immigrant communities and other communities often use this type of financing to expand or start businesses.
- Separately identifying cash-out and rate-and term-refinances. Both types of refinance loans serve different purposes and credit needs.
- Preserving the reporting of home improvement lending. HMDA data should continue to identify home improvement lending since such lending serves important needs for financing home repairs, which is a significant housing need of many communities.
- Requiring mandatory reporting for reasons for denial helps identify the most significant impediments to homeownership. Different types of counseling and intervention is needed depending on whether the most frequent reasons for denial are credit history, debt-to-income ratios, collateral or insufficient savings for down payment.

- Improving disclosures of borrower's age. Robust reporting on the age of the borrower (required by the Dodd-Frank Wall Street Reform and Consumer Protection Act) is vital to evaluate age biases, especially in reverse mortgage lending. At a minimum, the age of the borrower should be reported in terms of five year cohorts, and aligned with other data sets.
- Adding data on loan modifications to HMDA data. Data on loan modifications is critically important to determine which institutions are responding responsibly to the foreclosure crisis.
- Disaggregating data on Asian borrowers to more accurately reflect the borrowing experiences of various Asian communities across the country.

We also support the proposal to require non-depository institutions to report data if they make 25 "covered" loans. This will significantly increase the number of non-depository institutions that are required to report and thus will hold these lenders accountable for serving the public in a responsible fashion.

Consumer Action believes that adding transparency and accountability via data disclosure makes lending markets more equitable and efficient, which is why we support making enhanced data publicly available as soon as possible. Meanwhile we urge immediate disclosure of new data elements on loan purpose and type.

Thank you for the opportunity to comment on this important issue.

Sincerely,

Ruth Susswein

Consumer Action