

Federal Reserve System

§ 203.3

loan (other than temporary financing such as a construction loan), including a refinancing of a home purchase loan, secured by a first lien on a one- to four-family dwelling if:

(i) The institution is federally insured or regulated; or

(ii) The loan is insured, guaranteed, or supplemented by any federal agency; or

(iii) The institution intended to sell the loan to the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation;

(2) A for-profit mortgage lending institution (other than a bank, savings association, or credit union) whose home purchase loan originations (including refinancings of home purchase loans) equaled or exceeded ten percent of its loan origination volume, measured in dollars, in the preceding calendar year.

(f) *Home improvement loan* means any loan that:

(1) Is for the purpose, in whole or in part, of repairing, rehabilitating, remodeling, or improving a dwelling or the real property on which it is located; and

(2) Is classified by the financial institution as a home improvement loan.

(g) *Home purchase loan* means any loan secured by and made for the purpose of purchasing a dwelling.

(h) *Metropolitan statistical area or MSA* means a metropolitan statistical area or a primary metropolitan statistical area, as defined by the U.S. Office of Management and Budget.

[Reg. C, 54 FR 51362, Dec. 15, 1989, as amended at 56 FR 59857, Nov. 26, 1991; 59 FR 63704, Dec. 9, 1994]

§ 203.3 Exempt institutions.

(a) *Exemption based on location, asset size, or number of home purchase loans.*

(1) A bank, savings association, or credit union is exempt from the requirements of this part for a given calendar year if on the preceding December 31:

(i) The institution had neither a home office nor a branch office in an MSA; or

(ii) The institution's total assets were at or below the asset threshold established by the Board. The asset threshold was adjusted from \$10 million

to \$28 million as of December 31, 1996. For subsequent years, the Board will adjust the threshold based on the year-to-year change in the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers, not seasonally adjusted, for each twelve-month period ending in November, with rounding to the nearest million. The Board will publish any adjustment to the asset figure in December in the staff commentary.

(2) A for-profit mortgage lending institution (other than a bank, savings association, or credit union) is exempt from the requirements of this part for a given calendar year if:

(i) The institution had neither a home office nor a branch office in an MSA on the preceding December 31; or

(ii) The institution's total assets combined with those of any parent corporation were \$10 million or less on the preceding December 31, and the institution originated fewer than 100 home purchase loans (including refinancings of home purchase loans) in the preceding calendar year.

(b) *Exemption based on state law.* (1) A state-chartered or state-licensed financial institution is exempt from the requirements of this regulation if the Board determines that the institution is subject to a state disclosure law that contains requirements substantially similar to those imposed by this regulation and contains adequate provisions for enforcement.

(2) Any state, state-chartered or state-licensed financial institution, or association of such institutions may apply to the Board for an exemption under this paragraph.

(3) An institution that is exempt under this paragraph shall submit the data required by the state disclosure law to its state supervisory agency for purposes of aggregation.

(c) *Loss of exemption.* (1) An institution losing an exemption that was based on the criteria set forth in paragraph (a) of this section shall comply with this part beginning with the calendar year following the year in which it lost its exemption.

(2) An institution losing an exemption that was based on state law under paragraph (b) of this section shall comply with this regulation beginning with

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the calendar year following the year for which it last reported loan data under the state disclosure law.

[Reg. C, 54 FR 51362, Dec. 15, 1989, as amended at 57 FR 56965, Dec. 2, 1992; 62 FR 28623, May 27, 1997; 63 FR 52142, Sept. 30, 1998]

§ 203.4 Compilation of loan data.

(a) *Data format and itemization.* A financial institution shall collect data regarding applications for, and originations and purchases of, home purchase and home improvement loans (including refinancings of both) for each calendar year. These transactions shall be recorded, within thirty calendar days after the end of each calendar quarter in which final action is taken (such as origination or purchase of a loan, or denial or withdrawal of an application), on a register in the format prescribed in Appendix A of this part and shall include the following items:

- (1) A number for the loan or loan application, and the date the application was received.
- (2) The type and purpose of the loan.
- (3) The owner-occupancy status of the property to which the loan relates.
- (4) The amount of the loan or application.
- (5) The type of action taken, and the date.
- (6) The location of the property to which the loan relates, by MSA, state, county, and census tract, if the institution has a home or a branch office in that MSA.
- (7) The race or national origin and sex of the applicant or borrower, and the gross annual income relied upon in processing the application.
- (8) The type of entity purchasing a loan that the institution originates or purchases and then sells within the same calendar year.

(b) *Collection of data on race or national origin, sex, and income.* (1) A financial institution shall collect data about the race or national origin and sex of the applicant or borrower as prescribed in appendix B. If the applicant or borrower chooses not to provide the information, the lender shall note the data on the basis of visual observation or surname, to the extent possible.

(2) Race or national origin, sex, and income data may but need not be collected for:

(i) Loans purchased by the financial institution; or

(ii) Applications received or loans originated by a bank, savings association, or credit union with assets on the preceding December 31 of \$30 million or less.

(c) *Optional data.* A financial institution may report the reasons it denied a loan application.

(d) *Excluded data.* A financial institution shall not report:

- (1) Loans originated or purchased by the financial institution acting in a fiduciary capacity (such as trustee);
- (2) Loans on unimproved land;
- (3) Temporary financing (such as bridge or construction loans);
- (4) The purchase of an interest in a pool of loans (such as mortgage-participation certificates); or
- (5) The purchase solely of the right to service loans.

(e) *Data reporting under CRA for banks and savings associations with total assets of \$250 million or more and banks and savings associations that are subsidiaries of a holding company whose total banking and thrift assets are \$1 billion or more.* As required by agency regulations that implement the Community Reinvestment Act, banks and savings associations that had total assets of \$250 million or more (or are subsidiaries of a holding company with total banking and thrift assets of \$1 billion or more) as of December 31 for each of the immediately preceding two years, shall also collect the location of property located outside the MSAs in which the institution has a home or branch office, or outside any MSAs.

[54 FR 51362, Dec. 15, 1989; 55 FR 695, Jan. 8, 1990, as amended at 56 FR 59857, Nov. 26, 1991; 56 FR 66343, Dec. 23, 1991; Reg. C, 59 FR 63704, Dec. 9, 1994; 60 FR 22225, May 4, 1995]

EFFECTIVE DATE NOTE: At 67 FR 43223, June 27, 2002, § 203.4 was amended by revising paragraph (a)(12) and adding new paragraph (a)(14), effective Jan. 1, 2004. For the convenience of the user, the revised and added text is set forth as follows:

§ 203.4 Compilation of loan data.

(a) *Data format and itemization.* * * *

(12) For originated loans subject to Regulation Z, 12 CFR part 226, the difference between the loan's annual percentage rate (APR) and the yield on Treasury securities having comparable periods of maturity, if