CSBS

FFIEC Announces Availability of 2017 Data on Mortgage Lending

May 7, 2018

The Federal Financial Institutions Examination Council (FFIEC) today announced the availability of data on mortgage lending transactions at 5,852 U.S. financial institutions covered by the Home Mortgage Disclosure Act (HMDA). Covered institutions include banks, savings associations, credit unions, and mortgage companies. Released today are loan-level HMDA data that cover 2017 lending activity submitted by financial institutions on or before April 18, 2018. The data include:

- Applications, originations, purchases of loans, sales of loans, denials, and other actions related to applications
- Loan amounts
- Loan types (conventional, Federal Housing Administration (FHA), Veterans Administration (VA), Rural Housing Service (RHS), or Farm Service Agency (FSA))
- Purposes (home purchase, home improvement, or refinancing)
- Property types (1–4 family, multifamily, or manufactured housing)
- Owner occupancy
- Preapprovals (home purchase loans only)
- Property locations (metropolitan statistical area (MSA), state, county, and census tract)
- Applicant and co-applicant characteristics (race, ethnicity, sex, and income)
- Pricing-related data
- Type of purchasers
- Whether a particular loan is subject to the Home Ownership and Equity Protection Act (HOEPA)
- Whether a particular loan is secured by a first or a subordinate lien, or is unsecured

Unlike in past years, the HMDA loan-level data made available to the public will not remain static, but will be updated, on an ongoing basis, to reflect late submissions and resubmissions. Accordingly, loan-level data downloaded from https://ffiec.cfpb.gov/ at a later date will include any such updated data. An April 18, 2018, static dataset used to develop the observations in this statement about the 2017 data is available here: https://www.consumerfinance.gov/data-research/research-reports/cfpb-data-point-mortgage-market-activity-and-trends/. In addition, beginning in late March 2018, Loan/Application Registers (LARs) for each HMDA filer of 2017 data, modified to protect borrower privacy, were made available at https://ffiec.cfpb.gov/data-publication/.

Understanding the Data

The 2017 HMDA data use the census tract delineations, population, and housing characteristic data from the 2011–2015 American Community Survey (ACS). In addition, the data reflect MSA definitions released by the Office of Management and Budget in 2015 that became effective for HMDA purposes in 2016.

Caution should be used when comparing HMDA data across multiple years for specific geographic areas due to the changes in MSA and census tract boundaries and updates to the population and housing characteristics of census tracts that followed the decennial census and five-year updates based on the ACS data.

The HMDA data are the most comprehensive publicly available information on mortgage market activity. Among other uses, the data help the public assess how financial institutions are serving the housing needs of their local communities and facilitate federal financial regulators' fair lending and consumer compliance examinations. When these regulators evaluate an institution's fair lending risk, they analyze HMDA data in conjunction with other information and risk factors, in accordance with the Interagency Fair Lending Examination Procedures available at https://www.ffiec.gov/PDF/fairlend.pdf.

HMDA data alone cannot be used to determine whether a lender is complying with fair lending laws. The data do not include many potential determinants of loan application and pricing decisions, such as the applicant's credit history and debt-to-income ratio, the loan-to-value ratio, and other considerations. Therefore, when regulators conduct fair lending examinations, including ones involving loan pricing, they analyze additional information before reaching a determination about an institution's compliance with fair lending laws.

Observations from the 2017 Data

For 2017, the number of reporting institutions declined by about 13 percent from the previous year to 5,852. Contributing to the decline were Regulation C changes requiring HMDA collection and reporting from depository institutions only if, in each of the two preceding calendar years, they originated at least 25 home purchase loans, including refinancings of home purchase loans, that are not excluded under 12 CFR § 1003.4(d).

The 2017 data include information on 12.1 million home loan applications, of which 7.3 million resulted in loan originations, and 2.1 million in purchased loans, for a total of more than 14.1 million actions. The data also include information on approximately 481,000 requests for preapprovals for home purchase loans.

The total number of originated loans of all types and purposes decreased by more than 1 million between 2016 and 2017, or 12.4 percent. Refinance originations decreased by more than 33 percent, and home purchase lending increased by more than 4 percent.

From 2016 to 2017, the share of first-lien home purchase loans for 1–4 family, site-built, owner-occupied properties made to low- and moderate-income borrowers (those with income of less than 80 percent of area median income) rose slightly from 26.2 percent to 26.3 percent, and the share of refinance loans to low- and moderate-income borrowers increased from 16.9 percent to 22.9 percent.

In terms of borrower race and ethnicity, the share of home purchase loans for 1–4 family properties made to black borrowers rose from 6.0 percent in 2016 to 6.4 percent in 2017, the share made to Hispanic-white borrowers remained unchanged at 8.8 percent, and those made to Asian borrowers rose from 5.5 percent to 5.8 percent. From 2016 to 2017, the share of refinance loans made to black borrowers increased from 5.0 percent to 6.0 percent, the share made to Hispanic-white borrowers increased from 6.2 percent to 6.8 percent, and those made to Asian borrowers fell from 5.5 percent to 4.0 percent.

In 2017, black and Hispanic-white applicants experienced higher denial rates for conventional home purchase loans than non-Hispanic white applicants. The denial rate for Asian applicants is more comparable to the denial rate for non-Hispanic white applicants. These relationships are similar to those found in earlier years and, due to the limitations of the HMDA data discussed above, cannot take into account potential differences in risk characteristics across demographic groups.

The FHA-insured share of first-lien home purchase loans for 1–4 family, site-built owner-occupied properties declined from 25.0 percent in 2016 to 22.6 percent in 2017. The VA-guaranteed share of such loans remained at approximately 10 percent in 2017. The overall government-backed share of such purchase loans, including FHA, VA, RHS, and FSA loans, was 36.3 percent in 2017, down slightly from 38.7 percent in 2016.

The FHA-insured share of first-lien refinance mortgages for 1–4 family, site-built owner-occupied properties increased to 13.2 percent in 2017 from 12.0 percent in 2016, while the VA-guaranteed share of such refinance loans decreased from 12.2 percent in 2016 to 11.4 percent in 2017.

The share of mortgages originated by nondepository, independent mortgage companies has increased sharply in recent years. In 2017, this group of lenders accounted for 56.1 percent of first-lien owner-occupied home-purchase loans, up from 53.3 percent in 2016. Independent mortgage companies also originated 55.8 percent of first-lien owner-occupied refinance loans, an increase from 52.2 percent in 2016, which was the first year in which independent mortgage companies made the majority of such loans since at least 1995.

The 2017 HMDA data also include information on loan pricing for loans classified as “higher-priced.” Higher-priced loans are defined as loans with annual percentage rates (APRs) that exceed the average prime offer rates (APORs) by at least 1.5 percentage points for first-lien loans and at least 3.5 percentage points for subordinate lien loans. The data on the incidence of higher-priced lending show that 6.9 percent of first-lien loans originated in 2017 have APRs that exceed the loan price reporting thresholds, up slightly from about 5.5 percent in 2016.

As noted above, the HMDA data also identify loans that are covered by HOEPA. Under HOEPA, certain types of mortgage loans that have interest rates or total points and fees above specified levels also are subject to certain requirements, such as additional disclosures to consumers, and are subject to various restrictions on loan terms. For 2017, 3,533 loan originations covered by HOEPA were reported: 1,836 home purchase loans; 764 home improvement loans; and 933 refinance loans.

Additional HMDA Information

Financial institution disclosure statements and MSA and nationwide aggregate reports for 2017 HMDA data will be available at https://ffiec.cfpb.gov/data-publication/. Tools to search and analyze the HMDA data are available at https://www.consumerfinance.gov/hmda. More information about HMDA data reporting requirements is available at https://ffiec.cfpb.gov/.

Questions about HMDA supervision should be directed to the institution's supervisory agency at the following phone numbers:

- **Federal Deposit Insurance Corporation**: 877-275-3342; hearing impaired — 800-925-4618
- **Board of Governors of the Federal Reserve System, HMDA Assistance Line**: 202-452-2016
- **National Credit Union Administration, Office of Consumer Financial Protection**: 703-518-1140
- **Office of the Comptroller of the Currency, Compliance Risk Policy Division**: 202-649-5470
- **Bureau of Consumer Financial Protection**: 202-435-7000
- **Department of Housing and Urban Development, Office of Housing**: 202-708-0685

Media Contacts:

BCFP	Sam Gilford	202-435-7673
FDIC	Greg Hernandez	202-898-6984
Federal Reserve	Susan Stawick	202-452-2955
NCUA	Ben Hardaway	703-518-6333
OCC	Stephanie Collins	202-649-6860
SLC	Jim Kurtkze	202-728-5733

The FFIEC was established in March 1979 to prescribe uniform principles, standards, and report forms and to promote uniformity in the supervision of financial institutions. It also conducts schools for examiners employed by the five federal member agencies represented on the FFIEC and makes those schools available to employees of state agencies that supervise financial institutions. The Council consists of the following six voting members: a member of the Board of Governors of the Federal Reserve System; the Chairman of the Federal Deposit Insurance Corporation; the Director of the Bureau of Consumer Financial Protection; the Comptroller of the Currency; the Chairman of the National Credit Union Administration; and the Chairman of the State Liaison Committee.

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