



# Press Release

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For immediate release

The Federal Reserve Board on Friday announced the publication of transition rules to provide lenders with guidance on collecting and reporting information when an application for a home mortgage loan is received before--and final action is taken after--January 1, 2004. The rules were published as an amendment to the official staff commentary that applies and interprets the requirements of Regulation C (Home Mortgage Disclosure Act). In 2002, the Board substantially revised Regulation C, effective January 1, 2004. The revisions require lenders to report new data items, including information about loan pricing. To minimize the reporting burden, the transition rules generally will not require lenders to collect--pre-January 1, 2004--information that typically is obtained when an application is submitted. More specifically, the transition rules provide that:

- Lenders will not have to indicate whether an application or loan involved a request for preapproval or were related to a manufactured home.
- Lenders may at their option continue to apply the current instead of the revised definitions for a home improvement loan and for refinancings.
- Lenders need not report the rate spread for loans in which the rate lock occurs before January 1, 2004, given that their data collection systems may not be fully operational until the revisions take effect in January 2004.

The transition rules require lenders to report information available at the time of final action: purchaser type; whether a loan is subject to the Home Ownership and Equity Protection Act; and the lien status of applications and originated loans. The Board has also provided rules to convert information about applicants' race and ethnicity (collected under the current categories in 2003 and reported under the new categories in 2004).