

**COMMERCIAL & CONSUMER HMDA WORKSHEET FOR CLOSED END LOANS –
Updated 03/03/06**

How to tell whether a loan is HMDA reportable:

Loan Classification Definitions

Purchase a dwelling	Refinance	Home Improvement	Construction Only	Construction/Perm
Secured by A dwelling ; AND	Original loan secured by a dwelling; AND	Purpose is home improvement; AND	Never HMDA reportable (even if we have committed to permanent financing in-house or through Mortgage Department)	Purpose is initial construction of a dwelling; AND
Purpose is to purchase A dwelling ; AND	New loan secured by a dwelling (does not have to be the same one); AND	Secured or unsecured (for home improvement purposes and classified as such), AND		Construction/Perm loan is made at a one-time closing
Not temporary financing	The old and the new loan are to the same borrower; AND	Not temporary financing		
Note: the dwelling being purchased and the dwelling securing the loan may be different.	ANY portion of the proceeds are being used to payoff the old note; AND			
	A new note is being done (as opposed to a modification); AND			
	Not temporary financing			

Definitions

Dwelling

Any residential structure. This means 1-4 family residences, 5 or more family residences (a/k/a multi-family), and manufactured homes. The mortgage position is not relevant.

Manufactured Home

Manufactured home means a structure, **transportable in one or more sections**, which in the traveling mode, is eight body feet or more in width or forty body feet or more in length, or, when erected on site, is three hundred twenty or more square feet, and which is **built on a permanent chassis** and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein.

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The definition of manufactured housing refers to the federal building code for factory-built housing established by HUD. **The HUD code requires generally, that housing be essentially ready for occupancy upon leaving the factory and being transported to a building site.** Similarly, double-wide mobile homes would also be considered manufactured housing. Other factory-built homes, such as panelized or pre-cut homes, generally do not meet the HUD code because they require a significant amount of construction on site before they are ready for occupancy, and therefore, would not be considered manufactured housing.

If you cannot determine with any degree of certainty that the dwelling is a manufactured home, you should report it as a 1-4 family residence.

Temporary Financing

A loan with a term of more than 2 years would ordinarily not be considered temporary financing. However, a loan with a term of two years or less is NOT automatically temporary financing. You must look to the expected source of repayment of our loan to determine whether our loan is temporary financing. If the expected source of repayment for our loan is another loan (either from us or from another lender), and the term of our loan is two years or less, our loan is temporary financing. If, however, the expected source of repayment is some other type of source (such as sale of the property or other asset or regular income), the loan will be HMDA reportable, even if the term of our loan is less than 2 years.

For example, suppose an applicant applies for a loan to build a deck secured by the dwelling. They want a six-month loan. The loan is expected to be repaid from a combination of regular salary and a Christmas bonus. This loan would be reportable under HMDA as a Home Improvement loan. Even though the term is only six months, it is NOT temporary financing since it isn't being repaid from another loan.

However, suppose our applicant applies for a loan to build an addition on the house. They want a six-month loan. During that six months, they expect to apply for a refinance on their first mortgage to include payoff of our loan for the addition. This loan would not be reportable under HMDA, as it would be considered temporary financing since the repayment source is another loan.

In another example, suppose an applicant applies for a loan to purchase a house. They want a six-month loan. During those six months, they expect to flip (resell for a profit) the house. This loan **WOULD BE** reportable under HMDA since the repayment source is NOT another loan.

In all three cases the loan term is six months. It is the expected source of repayment, not the term of the loan exclusively, that determines whether the loan is temporary financing or not.

Additional Requirements under Regulation B

There is an additional requirement if the purpose of the loan is the purchase or refinancing of a dwelling occupied or to be occupied by the applicant as a principal residence, where the credit will be secured by the principal residence. If that is the case, in addition to the Government Monitoring information, you must also collect the age of the borrower(s) and the marital status of the borrower(s), using the categories Married, Unmarried, and Separated.

Home Improvement

This is defined as "repair, rehabilitate, remodel, or improve a dwelling or the real property on which the structure is located".